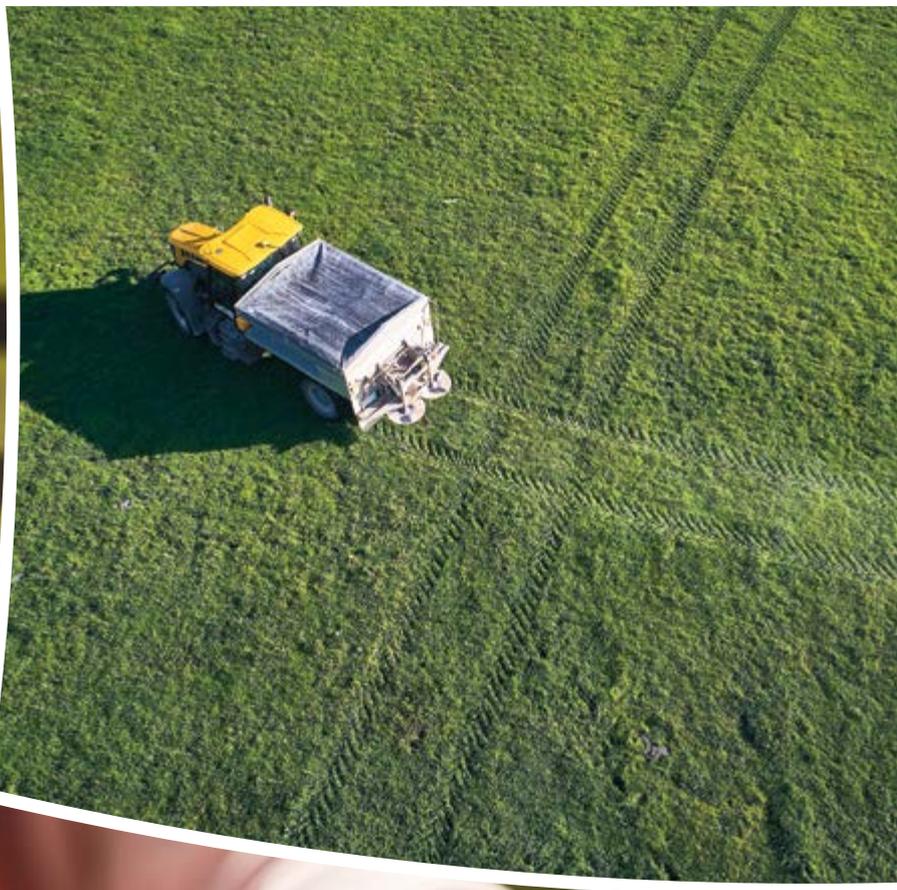


ANNUAL REPORT 2017

THE ROYAL AGRICULTURAL SOCIETY OF VICTORIA LIMITED







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RASV INTRODUCTION

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

RASV has inspired excellence for more than 165 years and has a proud history of providing industry with valuable platforms to advance excellence in agriculture, primarily through conducting highly credible benchmarking award programs and events.

These award programs and events provide those with a direct involvement in primary and secondary production, particularly in Victoria, with unique opportunities to improve industry standards, grow the reputation of Victorian agrifood and fibre and directly connect with consumers.

The Royal Melbourne Show, Victoria's largest and most iconic annual community event conducted by RASV, provides industry with opportunities to engage and connect annually with half a million consumers and build their knowledge and understanding of the vital role agriculture plays in everyday life.

The Royal Melbourne Show also provides industry, particularly beef, dairy, sheep and fleece, with an integral platform to benchmark and celebrate quality through livestock competitions.

RASV hosts a full calendar of events designed to support a range of sectors in the agricultural industry, including:

- Australian International Beer Awards, renowned for showcasing the highest quality beer and celebrating brewing excellence from around the world;
- Royal Melbourne Wine Awards, the celebration of excellence in Australian winemaking and one of the nation's most respected wine awards;
- Australian Food Awards, one of Australia's most celebrated fine food awards;

- Australian Distilled Spirits Awards, introduced to recognise the burgeoning growth in Australian distillery production; and
- Australian International Coffee Awards, attracts significant entry numbers from local and global producers.

Each event celebrates product quality, presents a valuable opportunity for all producers, large and small to benchmark their products and provides differentiation in the market for award winners.

Furthermore, RASV manages Melbourne Showgrounds, Victoria's largest and most versatile venue for trade shows, exhibitions and events, which attracts close to a million visitors annually across over 650 events, significantly supporting Victoria's major events calendar

Focusing on delivering value to industry, RASV is committed to:

- Improving quality and increasing demand for Victorian agricultural produce;
- Providing platforms for industry to celebrate quality, set benchmarks and encourage excellence;
- Delivering successful events that connect industry with consumers;
- Growing membership and enhancing member value;
- Generating operating surpluses for prospective investments in events, member benefits and facilities at Melbourne Showgrounds;
- Improving the organisation by supporting and developing employees, volunteers and the next generation of leaders;
- Implementing effective systems, processes and infrastructure to ensure quality events and superior service are delivered.



Board of Directors

Top row, left to right: Alan Hawkes, Scott Chapman, Noelene King OAM.

Middle row, left to right: Mark O'Sullivan (CEO), Joy Potter, Darrin Grimsey.

Bottom row, left to right: Dr Catherine Ainsworth, Matthew Coleman (President), and Jason Ronald OAM.



Executive Team

Left to right: Jon Perry (General Manager, Corporate Services), Kate Heeps (General Manager, Agricultural Programs and Events), Mark O'Sullivan (Chief Executive Officer), Linda O'Halloran (Manager Human Resources), Brad Jenkins (General Manager, Marketing & Business Development).

PRESIDENT'S MESSAGE

Our continued commitment to promoting the development of and celebrating excellence in agriculture has driven a number of enhanced and improved initiatives in this, the second year of our five year strategy 'Towards 2020'.

Australia's reputation, throughout the world, for producing high-quality, sought after food, fibre and beverages continues to grow and contribute significantly to the economy and employment.

RASV remains unwavering in its support of the industry through delivery of world-class award programs, agricultural events and venue management as we enhance and increase the valuable opportunities and outcomes for industry participants.

The Royal Melbourne Show has once again provided a unique opportunity to connect urban consumer communities with regional and rural producers through interaction, education and direct communication. The event continues to evolve to reflect consumer interests and continually highlights the importance of food and fibre producers to everyday life.

The food offering was expanded to showcase local producers, from the grower, to the retailer and finally to the table through some of Melbourne's most celebrated chefs and restaurants. The animal experiences were also expanded to ensure a deeper education of regional life, with a particular focus on those attending who may have had little to no exposure to farming and animals.

Our agricultural competitions were enhanced, with a focus on encouraging youth participation and nurturing the future leaders and next generation of the agricultural industry. Highlighting the contribution of young people to the industry, as well as the career options open to them, is an ongoing focus of RASV. The Emerging Leaders in Victorian Agriculture Awards, the Beef Carcase competition, the Schools Poultry competition and the Dairy Youth Handlers Scholarship delivering opportunities for students and young people to participate in agriculture, develop leadership and animal husbandry skills and be recognised for their efforts.

The internationalisation of the Show to showcase Australian agriculture to important trade partners was supported this year with the development of the China as a Guest Nation Pavilion at the Show, highlighting the important partnership between our two countries. With a particular focus on agricultural investment and export, over 200 Chinese delegates attended the Royal Melbourne Show and participated in the Business Opportunities Forum. We also welcomed a delegation of over 40 dairy industry participants from Brazil and media journalists from Indonesia, testament to the growing foreign interest in the event and industry generally.

Showcasing the high standard of growth and production, the RASV food and beverage awards programs have continued to grow in participation and reputation over the last 12 months, with increased entries across almost all programs.

This year saw the introduction of the Australian Food Awards, built on the success of the Royal Melbourne Fine Food Awards. The restructured program included broadening of existing and introduction of new categories, to reflect the expanding food industry in Australia and allows for participants to receive a national seal of excellence to differentiate their products in the global market.

Our commitment to continually enhancing and improving Melbourne Showgrounds as a preferred venue of choice has seen some changes to the venue in the last 12 months to allow for expansion of parking facilities and improved sustainability practices. The venue has attracted new clients and improved delivery of repeat events, as it continues to contribute significantly to Victoria's reputation as a major events capital.



As one of the most valuable and important industries in the state, agriculture is reliant on the support of State Government and on behalf of the Board of RASV, I thank the Premier of Victoria, the Hon Danial Andrews MP and Minister for Agriculture and Regional Development the Hon Jaala Pulford for their dedication in enhancing and supporting our industry.

The continued support of the Department of Economic Development, Jobs, Transport and Resources, the Department of Treasury and Finance and all relevant State and Federal Government Offices is acknowledged and appreciated.

We also acknowledge all members of the Unincorporated Joint Venture (a 50:50 joint venture between RASV and the State Government of Victoria) for their continued support of the ongoing development of Melbourne Showgrounds. In particular thanks to outgoing Chair Christine Gilbertson, who has been an integral supporter of the joint venture and who completed her term in 2017.

On a personal note, in my first year as President of the RASV Board, I express my sincere thanks to my fellow Directors for their ongoing dedication and commitment in leading RASV and supporting the future of agriculture. In particular, I thank outgoing President, Mr Stephen Spargo AM, whose direction and leadership over the last 7 years and contribution to the evolution of RASV during his 16 years serving on the Board has been much appreciated.

On behalf of the Board, I also thank Mr Geoff Philips and Mrs Deborah Hodgson, both of whom retired from the Board in August last year. Their service to the organisation is appreciated and their contribution, commitment and enthusiasm for both the organisation and industry admirable. I also welcome new Board Member, Dr Catherine Ainsworth, whose expertise and knowledge will be a valuable asset to the organisation.

RASV is fortunate to be supported by over 1500 volunteers each year and the delivery of our events would not be possible without the generous contribution of our committees, judges, stewards and officials who give so willingly of their time and expertise for which we are grateful.

On behalf of the RASV Board, I express our thanks to the management team, staff and partners for your support and dedication to our organisation and the wider industry.

Matt Coleman
President



CEO'S MESSAGE

During the second year of our strategy *Towards 2020*, we continued the development of our world-class awards program, the enhancement of the Royal Melbourne Show and the improvement of facilities at Melbourne Showgrounds, all driven by our commitment of providing value to agrifood and fibre producers.



A review of our progress to date has identified the achievements and successes over the last 12 months aligned with our strategy and purpose, as we progress Towards 2020.

Deliver World-Class Award Programs

Reflecting our aim to be recognised as a leader in award program delivery, the development of RASV awards and the aligned opportunities presented to participants continued, with the evolution of the Australian Food Awards, building on the success of the Royal Melbourne Fine Food Awards, the most definitive action.

Strategic outcomes for 2016/2017

- Australian Food Awards (AFA) launched, building on the success of the Royal Melbourne Fine Food Awards, to offer broader opportunities for Australian producers in leveraging success locally and internationally with AFA's national brand seal of quality.
- New categories and trophies were added to the award programs to reflect industry trends, production techniques and consumer interest including a Consistency of Excellence medal in the AFA, the Best Organic or Biodynamic wine Trophy in the Royal Melbourne Wine Awards and the Small Batch Spirits Trophy in the Australian Distilled Spirits Awards.
- To support strategic initiatives, increase participation in the awards and identify further growth opportunities for awards participants, a Market Development Manager role was developed leading to increased presence at trade missions and events, including:
 - Melbourne Food & Wine Festival, sponsorship of Theatre of Ideas Program, Moo Man film and discussion on small scale farming.
 - Attendance at the Foodex Trade Show with the Victorian Government to present on the Australian Food Awards at the Industry Networking function
 - Showcase of 35 Victorian food producers in an Australian Food Awards branded area on the Victorian Government stand at Fine Foods Australia exhibition
 - Showcase of 11 award-winning beer and wine brands at the Hong Kong International Wine & Spirits Fair
 - Sponsorship of the Victorian Agribusiness Council's Red Majesty Chefs Tour, providing a unique opportunity for 12 export-ready Victorian producers to meet influential international chefs and provide product samples.
- Following a dedicated marketing campaign and meetings conducted in China (Shanghai) and Hong Kong including securing support from new partnership with the Hong Kong Craft Beer Association for the Australian International Beer Awards in China/Hong Kong and Japan, and the introduction of freight subsidies from the US and New Zealand markets, the awards have seen a substantial increase in international entries with close to 50% of all entries from international breweries.
- As part of ongoing activity to connect consumers with award-winning producers, the 'Winning Tastes' website was redeveloped to provide an information and education hub across the award programs.



Grow the Royal Melbourne Show as a world-class event, showcasing agriculture

With a focus on enhancing the food and agricultural offering, a number of key initiatives were implemented for last year's Show, leading to increased competition entries, greater adoption of pre-purchasing tickets and development of international attendance.

Strategic outcomes for 2016/2017

- An enhanced food offering, including expansion of the Winning Tastes Pavilion and an increased number of caterers, led to a 3% increase in catering turnover.
- As a result of successful campaigning to exhibitors, the Livestock Pavilion hosted over 2,000 sheep, beef, dairy and fleece exhibits, with the Pavilion offering the largest display of animals in five years.
- The expanded animal precincts, including the large Animal Farmyard, resulted in three of the four most visited areas of the Show.
- A newly developed ticketing structure and campaign resulted in record pre-sales, an increase of 50%.
- Enhancements to the digital presence led to record visitations to the Royal Melbourne Show website and a 25% increase in email subscribers.
- Internationalisation of the event, with an initial focus on China saw the development of China as the Guest Nation Pavilion, with attendance by over 200 Chinese delegates including the Deputy Governor of Shanxi Province.
- Attendance of over 40 delegates from Brazil's dairy industry, close to 30 Japanese Animal Husbandry students and journalists from Indonesian online and television media, as well as highly respected international Judges across livestock and dogs Competitions.

Improved layout of the site resulted in a 19% increase in revenue from commercial exhibition space.

Develop Melbourne Showgrounds as Victoria's premier indoor/outdoor events venue

Significantly contributing to Victoria's major events calendar, Melbourne Showgrounds venue business continues to develop and grow, attracting new events and improving facilities, services and delivery of existing events.

Strategic outcomes for 2016/2017:

- Successful delivery of events has resulted in 90% retention rate of existing clients.
- Over 15 new events were secured for the venue with the most significant new client the WorldSkills Expo.
- Building on the success of the RMIT and Victoria University exams schedules onsite, the Monash College and LTC Testing exams were added to the venue.
- Venue clients scored Melbourne Showgrounds a 96% Overall Satisfaction and Retention Likelihood rating.
- Demolition of uninhabitable Sheep Pavilion improved safety and allowed for greater space usage onsite.
- Venue Masterplan was updated with designs completed for future investment in a number of pavilions including linking some of the most popular exhibition spaces.



Advance Agriculture

Encouraging industry connection, collaboration and outcomes through events, RASV's commitment to advancing agriculture included increased support of regional events, participation in industry events and associations and a continued focus on nurturing young industry participants.

Strategic outcomes 2016/2017:

- Increased partnership and support of regional events including International Dairy Week and the Australian Sheep and Wool Show.
- A 75% high retention rate amongst RASV Heifer Challenge participants resulted in 48 properties participating.

- Conducted the Agriculture: The Heart of Victoria Gala Dinner in partnership with the Victorian Farmers Federation (VFF), following the AgriVictoria Summit, with a high calibre of speakers involved.
- Sponsorship of two Next Generation delegates to attend the 27th Commonwealth Agriculture Conference alongside RASV representatives.
- Participation in the creation of Agricultural Shows of Australia, a new national body representing capital city, regional and country agricultural societies and shows.

Enhance our Governance and Organisational Capability

Ensuring we have the best people delivering the best events and programs, we focussed on providing developmental opportunities, cross-functional activity and inspiring leadership.

Strategic outcomes 2016/2017:

- Reviewed and implemented an updated organisational structure including redevelopment of the General Manager Agricultural Programs and Events role and introduction of Market Development Manager, and Product Development Manager.
- Conducted a Staff Engagement survey with a 94% response rate.



- Provided professional development opportunities, including training for Event Management, Digital, Marketing, Administration Software, Health, Safety and First Aid and RSA training.
- Volunteer survey developed to obtain information and stories from our volunteer workforce.

These significant results would not be possible without the support of the Victorian agricultural industry and I thank the Minister for Agriculture and Regional Development, the Hon Jaala Pulford for her ongoing support.

On behalf of the Board and staff, I acknowledge the retirement of Michael Martin, General Manager, Site Operations & Logistics in March after 39 years with the organisation. Michael's unwavering commitment to the organisation is highly appreciated and he will continue to provide support and advice for the 2017 Royal Melbourne Show.

On a personal note, I express my gratitude to Mr Stephen Spargo, outgoing President, who concluded his term in August after seven years of leading the Board. His dedication to RASV and the agricultural industry is highly appreciated.

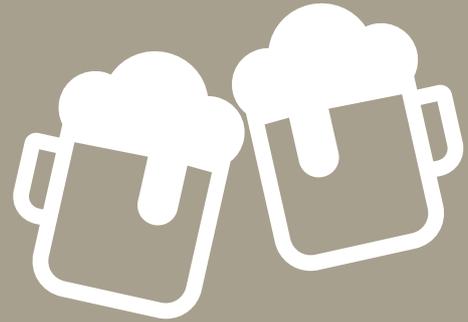
I also welcome Matt Coleman to the role of RASV President, and look forward to working together in leading RASV, as we continue 'Towards 2020'.

I thank our entire Board of Directors, Senior Executive Team, Councillors, Members, operational and event committees and all staff for their continued enthusiasm and dedication to their important roles in promoting and celebrating excellence in agriculture

Mark O'Sullivan
Chief Executive Officer



April 2016. More than 80% of Australian distillers take part in the 2016 Australian Distilled Spirits Awards.



May 2016. The 24th Australian International Beer Awards receives a record 1790 entries.



June 2016. Over 700 of Victoria's agri-industry professionals attend Agriculture: The Heart of Victoria gala dinner.



July 2016. The inaugural Australian Food Awards are judged at Melbourne Showgrounds.



September 2016. The Royal Melbourne Show sees a 5% increase in attendance and 50% increase in pre-event ticket sales.



October 2016. Over 3,100 wines are entered into the 2016 Royal Melbourne Wine Awards.



February 2017. The RASV Beef Week Heifer Challenge travels 7000km visiting 50 properties.



March 2017. The Australian International Coffee Awards attracts a record 820 entries from around the world.

2016 ROYAL MELBOURNE SHOW

Significantly increased pre-purchase ticket sales, a record Saturday attendance and a unique partnership with China as the Guest Nation all contributed to the success of the 2016 Royal Melbourne Show.

The 2016 Royal Melbourne Show experienced strong attendance with over 450,000 people visiting the event over 11 spectacular days, a 5% increase on the previous year.

The event also saw the highest Saturday attendance in Show history, with close to 70,000 visitors through the gates on Saturday, 24 September.

Visitors to this year's Show responded very positively to great value pre-purchase ticket offers, with a 50 per cent increase on pre-event ticket sales and more than 75 per cent of all tickets to the Show purchased online.

The 2016 Show, which ran from September 17-27 delivered a successful program that reinforces its position as Victoria's largest and most iconic annual community event, encouraging visitors to connect with and experience agriculture.

The 2016 Royal Melbourne Show provided visitors more opportunities than ever to experience farm animals, take part in fun, hands-on activities for the whole family, indulge in delicious award-winning food and be thrilled by exciting attractions, with expanded animal and food precincts within Melbourne Showgrounds.

In addition to an expanded animal, food and entertainment offering, the Royal Melbourne Show hosted China as the Guest Nation for the first time ever, where more than 70 exhibitors and commercial businesses from the Shanxi Province showcased the important trade relationship between Australia and China.

RASV welcomed more than 200 Chinese delegates and provincial government members from China to this year's Royal Melbourne Show for the international exhibition, providing a valuable opportunity to promote Chinese tourism whilst strengthening connections between key trading partners in Australia and China.

The internationalisation of the event was also supported by the attendance of 42 delegates from Brazil's dairy industry who were provided a valuable insight into the role of the Show in promoting the agricultural industry. TV journalists and news crews from ABC International, Metro TV, Liputan 6 and Republika – some of Indonesia's most popular news outlets also attended, speaking with beef cattle producers regarding export to Indonesia and Australia's reputation for quality produce.

RASV received strong entries across its portfolio of Royal Melbourne Show blue ribbon competitions, including a seven year high in sheep entries and a 17% increase in beef cattle entries, with an introduced auction for this year's feature breed, Charolais experiencing significant sales.

Several of the competitions experienced an increase in youth participation indicating a strong future for the Show's competitions in coming years. Committed to recognising and supporting youth in agriculture, RASV saw strong youth engagement across a number of Royal Melbourne Show competitions, with a significant increase in exhibitors for the beef carcass competitions, strong candidates vying for the Dairy Youth Handlers scholarship and the Emerging Leaders in Victorian Agriculture awards, excellent school engagement across livestock competitions and a strong number of teams competing in the Young Farmer Challenge.





Digital customer engagement grew in 2016 with improvements to the website and user experience resulting in a 10% increase in visitation to royalshow.com.au, 10,000 more Facebook followers and a doubled increase in Instagram audience. Video content also proved popular with over 6,000 people watching the livestreaming of the Garryowen Equestrienne Turnout and over 10,000 tuning in for the Best in Show dogs announcement.

Contributing more than \$240 million every year in value to the state of Victoria, the Royal Melbourne Show has cemented its place as a major destination event.

RASV acknowledges and appreciates the support of the following sponsors of the 2016 Royal Melbourne Show:

PRINCIPAL PARTNERS

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MAJOR SPONSORS

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THE SHOW
DELIVERED AN
ESTIMATED VALUE OF



TO VICTORIA'S
ECONOMY

THE SHOW
CONNECTED MORE
THAN 440,000 VISITORS



TO THE STATE'S
AGRIBUSINESS
SECTOR

2016 AUSTRALIAN DISTILLED SPIRITS AWARDS

The second annual Australian Distilled Spirits Awards (ADSA) attracted 154 entries from 42 exhibitors, representing more than 80% of Australian distillers.



The first and only awards of its kind, the ADSA recognises excellence in spirit and liqueur production, a burgeoning industry and offers entrants the opportunity to benchmark against set criteria; receive invaluable independent feedback from industry experts to improve quality; and be rewarded for excellence leading to potential domestic and international sales growth.

An impressive panel of industry experts, led by Head Judge Jason Crawley of The Drink Cabinet, assessed the beverages over two days of judging, from the 12-13 April at Melbourne Showgrounds.

A total of 80 medals were awarded this year including 14 gold, 23 silver and 43 bronze, along with eight Champion Trophies including the newly introduced Champion Small Batch Spirit Trophy acknowledging specialty small-scale production spirits and liqueurs made in limited quantities that are distinct from a distiller's standard range.

During the ADSA Presentation on 22 April, Western Australia's Limeburners Distillery was announced as Australian Distiller of the Year, taking home a total of three trophies including the title of Champion Whisky for the second year running and Champion Small Batch Spirit.

Other trophy winners included Old Young's Pure No. 1, Champion Vodka; Hoochery Distillery's Ord River Rum - Premium, Champion Rum; Kangaroo Island Spirits' kis Old Tom, Champion Gin; St Agnes XO, Champion Brandy and Castle Glen Australia's Golden Knight Schnapps Liqueur, Champion Liqueur.

RASV acknowledges and appreciates the support of the 2016 ADSA sponsors:

Dan Murphy's

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Time Out Melbourne

2016 AUSTRALIAN INTERNATIONAL BEER AWARDS

The largest annual beer competition judging both draught and packaged beer, the 24th Australian International Beer Awards (AIBA) were awarded on Thursday 19 May with a total of 30 champion and major trophies awarded.

A panel of 63 beer industry experts, led by Head Judge Warren Pawsey assessed a record 1793 entries over three days, from Thursday 12 to Saturday 14 May with the awards' most prestigious honours taken out by Western Australia's Gage Roads Brewing Company and the Boston Beer Company from Massachusetts, USA.

Gage Roads Brewing Company's Little Dove (draught) was awarded Champion Australian Beer, while Boston Beer Company was awarded Champion International Beer for its Samuel Adams Kosmic Mother Funk Grand Cru (packaged).

Other major Australian trophies awarded included Champion Large Australian Brewer to Stone & Wood Brewing Co in New South Wales, Champion Medium Australian Brewer to Two Birds Brewing in Victoria, Champion Small Australian Brewer to Pirate Life Brewing in South Australia and the Australian Gypsy Brewer Award to BrewCult in Victoria.

International major trophies awarded included Champion Large International Brewery to Ballast Point Brewing and Spirits in California, USA, Champion Medium International Brewery to Pelican Brewing Company in Oregon, USA and Champion Small International Brewery to Moylan's Brewing Company in California, USA.

The Gary Sheppard Memorial Trophy for Best New Exhibitor was awarded to Barrabool Hills Brewery Co. in Victoria, Australia.

RASV acknowledges and appreciates the support of 2016 AIBA sponsors:

MAJOR SPONSOR

Federation University Australia

Presenting Partners

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GrainCorp

Cryer Malt

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Exponet

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TROPHY SPONSORS

Beer DeLuxe

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GABS Beer, Cider & Food Fest

Hellmann Beverage Logistics

Hop Products Australia

The Post Project

Time Out Melbourne

The Crafty Pint

Weyermann

IN 2016
AIBA BOASTED
A RECORD NUMBER



INCREASE IN
ENTRIES

AIBA ENTRIES
WERE ASSESSED BY
AN EXPERT PANEL OF



JUDGES FROM
AROUND THE
WORLD



2016 AUSTRALIAN FOOD AWARDS

As part of RASV's ongoing commitment to enhancing its food and beverage awards programs, in 2016 the Australian Food Awards (AFA) were launched.

Building on the success of RASV's Royal Melbourne Fine Food Awards, the Australian Food Awards celebrate excellence, recognise the best producers of premium food in Australia and offer broader opportunities to Australian producers to leverage their success locally and internationally with the Australian Food Awards' national brand seal of excellence.

The 2016 Australian Food Awards offered eight overarching categories, including Dairy, Meat, Poultry, Seafood, Fresh Produce, Grains and Pulses, Pantry Goods and Convenience Foods, as well as the newly introduced Champion Australian Product Trophy.

The eight categories incorporated the Royal Melbourne Fine Food Awards' former 16 categories whilst expanding the program offering to introduce new categories that reflect growing consumer food trends, such as ready-to-eat and prepared meals in the Convenience Foods category, truffles in the Fresh Produce category and goat and pork in the Meat category.

More than 100 leading industry experts judged the 1238 entries from across the categories in February, July and August, due to seasonality of specific food types.

Thirteen Champion Trophies were presented to some of Australia's finest producers at a presentation dinner held in September at Melbourne Showgrounds.

Terra Preta Truffles took out the prestigious Champion Australian Product/Produce award and also claimed the trophy for Champion Fresh Produce - Truffles with French Black Truffles grown on their family farm in Braidwood, New South Wales.

Victorian producers Plough to Plate Fine Foods, Dooley's Ice Cream and Brunetti took out the Champion Small, Medium and Large Producer trophies respectively, while the award for Champion Organic Product/Produce went to Schulz Organic Dairy for its Pure Cream.

RASV acknowledges and appreciates the support of the 2016 AFA Sponsors:

Victorian Chamber of Commerce and Industry

Majors Group



2017 AUSTRALIAN INTERNATIONAL COFFEE AWARDS

Attracting a record 820 entries from 186 local and international coffee roasters in 2017, including coffees from New Zealand, Malaysia, Hong Kong, Singapore, Canada, Greece, the USA and UK, the 2017 Australian International Coffee Awards (AICA) were held in March.

A total of 247 medals were awarded including nine gold, 70 silver and 168 bronze, over three days of judging at Melbourne Showgrounds from 8 – 10 March, with a panel of industry experts led by Head Judge Melissa Caia assessing the entries.

Six trophies were awarded at the AICA presentation held later that month, with winners from Queensland, Australian Capital Territory and New South Wales.

Canberra's Bean!Roasters by Cosmorex has taken out the title of Champion Australian Roaster for the second year running in the 2017 AICA, putting the Australian Capital Territory in the spotlight for outstanding coffee production.

Queensland's Bellissimo Coffee was named Champion Cold Brew Coffee and Champion Direct Trade Coffee for the second year running for the CHNO Panama, brewed by hand from high quality Panama Giesha coffee sourced directly from farmers at Los Cantares Estate.

Bellissimo Coffee also added Champion Milk Based Coffee to their haul for 2017 with Mocha Java.

The awards were presented as a partner event of Melbourne International Coffee Expo (MICE) 2017 in Melbourne on 29 March.

RASV acknowledges and appreciates the support of 2017 AICA sponsors:

EVENT PARTNER:

MICE2017

EVENT TICKETING PARTNER:

Eventbrite

TROPHY SPONSORS:

Mr Black

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Espresso Mechanics



2016 ROYAL MELBOURNE WINE AWARDS

Over 3100 wines entered into the 2016 Royal Melbourne Wine Awards (RMWA) were tasted over five days at Melbourne Showgrounds in October, by a judging panel of 36 industry experts led by Head Judge, winemaker and previous Jimmy Watson recipient, Tom Carson of Yabby Lake.

The most respected wine show in Australia, the RMWA gives producers the opportunity to benchmark their wines against industry standards; seek advice from an independent panel of experts; and to promote and market award-winning products using the RMWA's seal of excellence.

For the first time since 2010, the Jimmy Watson Memorial Trophy, Australia's most coveted wine award which recognises the Best Young Red Wine has been won by a Cabernet Sauvignon, with Western Australia's Deep Woods Estate 2014 Reserve taking home the illustrious honour.

Deep Woods also took home the trophy for Best Cabernet Sauvignon for the same wine, whilst other major trophies were spread across the country.

The François de Castella Trophy for Best Young White Wine was awarded to Victoria's Seville Estate for their 2015 Chardonnay.

Castagna (Vic) continued to be recognised for their outstanding consistency in winemaking, awarded the 2016 Victorian Trophy for Red Wines of Provenance for their Genesis Syrah over three vintages 2012, 2005, 2002 Shiraz Viognier, after also winning the accolade last year, for different vintages.

Punt Road Wines led by Winemaker and Viticulturist Tim Shand had a most successful awards taking home three top honours; The Trevor Mast Trophy for Best Shiraz, Douglas Seabrook Single Vineyard Trophy and Kym Ludvigsen Trophy for Viticultural

Excellence, all awarded to their Napoleone Vineyard 2015 Shiraz.

Other major trophies awarded included the James Halliday Trophy for Best Pinot Noir to Eddystone Point (Tas), for the 2015 Pinot Noir, and the Bill Chambers Trophy for Best Fortified won by Morris Wines (Vic) for their Morris Old Premium Rare Liqueur Topaque, NV.

The Best in Class trophies were split amongst the states, with wineries in NSW awarded five, West Australian wineries four, South Australian three, Victorian wineries taking home two and Tasmania, one.

New to the 2016 awards, the Best Organic or Biodynamic Wine was awarded to Yalumba Wines (SA) for their 2015 Organic Shiraz, whilst the Best Vermouth Trophy was won by Maidenii (Vic) for their Sweet Vermouth, NV Cabernet Sauvignon.

RASV acknowledges and appreciates the support of the 2016 RMWA Sponsors:

PRESENTING PARTNER OF THE AWARDS PRESENTATION:

Portavin Integrated Wine Services

TROPHY SPONSORS:

Dan Murphy's

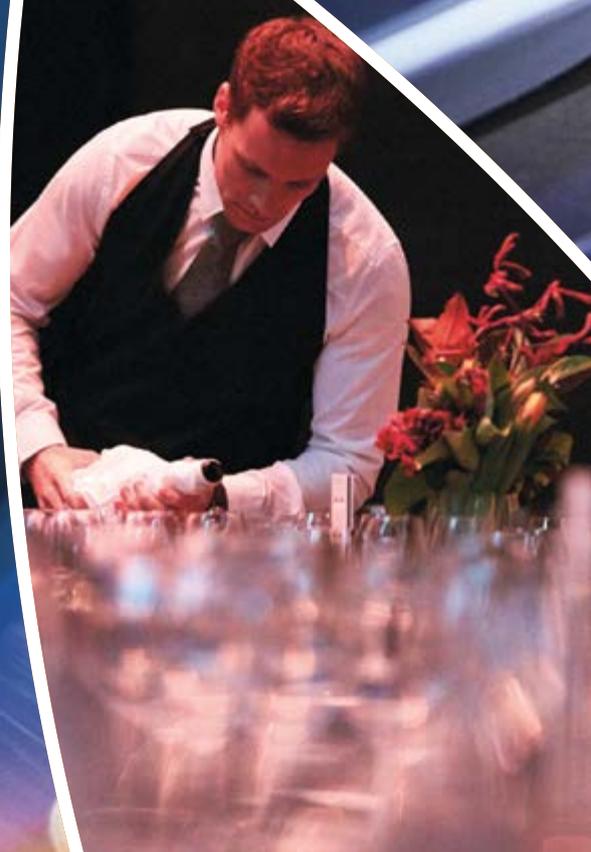
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ADVANCING AGRICULTURE



2016 Agriculture: The Heart of Victoria

Over 700 industry stakeholders celebrated with a taste of the finest Victorian agrifood and fibre at the 2016 Agriculture: The Heart of Victoria Gala Dinner.

Conducted by RASV, in collaboration with the Victorian Farmers Federation, ANZ and PwC, the event recognised the agricultural industry's \$13b contribution to the state's economy and the producers behind the continued industry growth,

Held on Thursday 9 June at the Peninsula, Docklands, the event included a four-course menu featuring food, wine, beer and cider from more than 30 producers across rural and regional Victoria, with the dinners' key note speaker football icon Kevin Sheedy reflecting on the inspiration behind the AFL Country Round.

Considered the pinnacle event on the Victorian agrifood and fibre calendar, the dinner was held following the AgriVictoria: State of Opportunity Summit.

2016 AgriVictoria: State of Opportunity Summit

The 2016 AgriVictoria: State of Opportunity Summit's agenda delivered an outcomes-focused agribusiness event providing a vital access point for primary producers and agribusinesses looking to tap into growing export opportunities.

Led by prominent agriculture figure Matt Linnegar, Chief Executive of the Australian Rural Leadership Foundation included an impressive speaker line-up including keynote speaker David Smorgon, PwC Australia, ANZ's Mark Bennett, Dr Bruce Kefferd and Tony Cleland, Farm Right, NZ.

Highlighting a commitment to providing value for industry participants, the event also included a unique opportunity for start-up and small business operators to present new market opportunities to stakeholders.

Held on Thursday 9 June, at the Park Hyatt Melbourne prior to the Agriculture: The Heart of Victoria dinner, the Summit was attended by over 250 of the state's top agribusiness professionals.

2017 International Dairy Week

Reflecting RASV's commitment to supporting regional events showcasing agriculture, the organisation was a major sponsor of the 2017 International Dairy Week (IDW), including presentation of the highly coveted RASV Dairy Interbreed.

Held in Tatura from 15- 20 January, IDW is considered Australia's premier dairy event, and included the RASV Dairy Industry Leader's Breakfast, allowing industry participants to meet and discuss relevant topics to the sector.

Australia's Grand Champion, the highest honour of the interbreed, was presented to Victoria's Bushlea Farms in Koonawarra for their exhibit Bushlea Van Fernleaf 10 on the last day of competition, following the presentation of Intermediate Champion to Rockvale Burdette Prim of Bluegum Park, Gippsland, Vic and Junior Champion to Miami Magnify Dawn 5206 of Philmar Dairy Co, Tocumwal, NSW.



2017 RASV Beef Week Heifer Challenge

After nine days of judging, the RASV Heifer Challenge Champion for 2017 was named, with father and son team Robert and Tim Hayes of Tarcombe Herefords awarded the prestigious honour.

The first Hereford stud to take home the title, the Ruffy property comprising 250 registered cows was awarded a \$3,000 cash prize at the celebratory dinner in February, after the completion of the on-farm judging. Murdeduke Angus of Winchelsea, Victoria, was named 2017 Reserve Champion.

Experienced cattle judge Alex McDonald travelled more than 7,000km to judge studs on 50 properties across Victoria and into New South Wales from Friday 27 January - Saturday 4 February 2017.

Highlighting quality in production, the RASV Heifer Challenge offers some of Australia's best cattle studs the opportunity to benchmark their herd replacement females against a wide variety of breeds and styles, with participants required to display pens of 10 registered heifers for judging.

Run by Stud Beef Victoria, Stock & Land Beef Week provides more than 200 beef producers with a unique opportunity to market, showcase and select genetics for breeding operations.

2016 Australian Sheep and Wool Show

Expanding their support of regional events that promote and showcase agriculture, RASV increased their partnership with the 2016 Australian Sheep and Wool Show in July.

The event, which attracted over 30,000 people across 3 days is the largest of its type in the world, celebrates the Australian sheep and wool industry.

The exciting partnership allowed RASV to strengthen ties within the sheep industry and further align with Australia's largest sheep and wool event. Over 3000 sheep and 400 fleeces were on display at the event, held annually in the Central Victorian regional city of Bendigo.

RASV presented the National Merino Pairs, the Young Stud Masters Muster and the Youth Champion Award, as well as the Bendigo Festival of Lamb as part of the initiative.

2016 Emerging Leaders in Victorian Agriculture awards

Three recipients of the 2016 Emerging Leaders in Victorian Agriculture awards were presented by RASV during the annual Agribusiness Leader's Luncheon at the Royal Melbourne Show.

Melissa Neal, Emma Germano and Grace Calder all took home the prestigious honour, which is open to industry participants aged under 40 years old who have achieved in one or more areas of professional, industry and community contribution, as well as demonstrated leadership qualities such as innovation, communication or ethical conduct.

In keeping with the growing prestige of the awards, the recipients received a share of a \$20,000 prize pool, with each recipient receiving a cash bursary to go towards their career development and access to valuable professional development activities through the support of RASV.



2016 Dairy Youth Handlers Travel Scholarship

18-year-old Katie Anderson from Yarraweyah was awarded the coveted Dairy Youth Handlers Travel Scholarship at the 2016 Royal Melbourne Show.

Awarded by RASV, the Dairy Youth Travel Scholarship offers compelling future development and career opportunities, providing the recipient with a \$10,000 travel bursary to visit dairy regions in Asia, New Zealand or the USA.

The scholarship application process includes pre-Show elements of an essay and panel interview, as well as competing in either the All Breeds Elite Dairy Heifer Show or the Dairy Youth Handlers Classic.

Katie, who grew up on her family's Sun Vale Holstein and Red Holstein stud, has had considerable success competing at International Dairy Week, regional country shows and Royal Shows across the country.

**THE DAIRY
YOUTH HANDLERS
SCHOLARSHIP AWARDS**



\$10K

**FOR THE RECIPIENT TO
TRAVEL TO EMERGING
DAIRY REGIONS
IN ASIA**

MELBOURNE SHOWGROUNDS

Significantly contributing to Melbourne's reputation as the events capital, Melbourne Showgrounds was the selected venue for more than 650 events, including over 90 small and large scale commercial exhibitions, trade shows and festivals with in excess of 950,000 people in attendance throughout the year.

As Victoria's largest and most flexible indoor/outdoor venue, Melbourne Showgrounds provides specifically designed spaces suitable for hosting a variety of events and activities including trade shows, exhibitions, expos, festivals and more.

Reaching a high retention rate of 90% with existing clients, the venue also welcomed a number of first-time clients including site-wide Worldskills Expo event, the Australian International Tea Expo, Pinot Palooza, Ashy Bines Bikini Body Challenge, Tesla Driver Day, Animaga, Ultimate Women's Weekend, KPMG, Business Chicks 9 to Thrive and the VEC Local Government elections count.

Returning events including MotoEx, the RMIT and Victoria University Exams and the Caravan & Camping Supershow attracted large attendance with greater use of the venue's facilities.

A number of food and agricultural events were also hosted at the venue including judging of RASV's award programs, the Royal Melbourne Alpaca and Poultry Shows, Melbourne International Coffee Expo and the Halal Food Expo.

Highlighting the ability of the venue to host diverse events, Melbourne Showgrounds was the selected venue for a number of community events including The Smith Family hamper packing, CBA Operation Plum Pudding and the TET Festival celebrating the Vietnamese new year, as well as the return of the Philippine Fiesta.

RASV is committed to making ongoing improvements to Melbourne Showgrounds facilities and exhibition areas with the following works completed in 2016/2017:

1. Removal of Shed 1 to allow for greater parking and other usable space.
2. Installation of water stations around the site.
3. Improvements to IT and CCTV facilities.



2016 / 2017 SUMMARY OF AWARDS

SECTION	AWARD	EXHIBIT	EXHIBITOR
ROYAL MELBOURNE SHOW			
Art, Craft & Cookery	The Florence Monod Memorial Award	Black and Red Choker	Maurice McPartlan – Preston VIC
Beef Carcase	Grand Champion Carcase	Exhibit 173	Longerenong College – Longerenong VIC
	Borthwick Trophy	Shorthorn	Finley High School, Longerenon College and McKay Bros – VIC
Beef Cattle	Supreme Beef Exhibit	Woonallee Charo	TR & EA Baker – Woonallee SA
Dairy	RASV Interbreed- Australia's Grand Champion	Bushlea Van Fernleaf 10	Bushlea Farms – Koonwarra VIC
	Dairy Youth Handlers Travel Scholarship		Katie Anderson – Yarroweyah VIC
Royal Melbourne Championship Dog Show	Best In Show	Supreme Champion Tullane Pomp N Ceremony	Ms C Paine – Carwoola NSW
	Best Puppy In Show	Old Iron You Only Live Once	Mr R & Mrs A Sorraghan – St Andrews VIC
	Best Baby Puppy In Show	Whitewarrior Ice Wolf Standing	Mr B White – Mt Eccles VIC
	Obedience	T. Ch. Ro. Ch. Sir Shadow	Miss M A Ferabend – Somerville VIC
	Agility	Kayladene Ignite My Fire (Border Collie)	Mrs G, Mrs K and Mr K Kisielnicki – Cranbourne South VIC
	Jumping	Guirmere Badger	Ms P Spencer – Cannons Creek VIC
Horses in Action	The Garryowen Equestrienne Turnout	Entourage	Briony Randle – Pakenham South Vic
Garryowen Hall of Fame	Garryowen Hall of Fame Horse	La Pigalle	
	Garryowen Hall of Fame Rider		Ms Lynette Lewis (Biesbroek) – Christmas Hills VIC
	Garryowen Hall of Fame Exceptional Service		Ms Moya Jess – Ballarat VIC
Woodchop	Golden Axe - Grand Aggregate Trophy		Laurence M O'Toole – Doncaster VIC
	The Two Garrys' - Handicap Aggregate Trophy		Kyle Meyer – Romsey VIC
Sheep	The "Dalmore Trophy" - Interbreed Champion Ram		AE Day & Sons – Bordertown SA
	Interbreed Champion Ewe		Wattle Park Border Leicester Stud – Temora NSW
Fleece	Champion Lambs' Wool	Exhibit 376	Doug Hopkins (Challicum) – Buangor VIC
	Champion Skirted Fleece	Exhibit 325	Craig Trickey (Coryule) – Willowvale VIC
	Champion Black & Coloured Fleece	Exhibit 295	Helen Wright – Glenlofty VIC
	Champion District Fleece	Exhibit 141	RJ and MJ Bennett – Everton Upper VIC

SECTION	AWARD	EXHIBIT	EXHIBITOR	
RASV EVENTS & AWARDS				
Australian Food Awards	Champion Australian Product	Terra Preta Truffles	Terra Preta Truffles – Reidsdale NSW	
Emerging Leaders in Victorian Agriculture	Emerging Leader Award		Grace Calder – Hastings VIC	
	Emerging Leader Award		Emma Germano – Mirboo North VIC	
	Emerging Leader Award		Melissa Neal – Strathfieldsaye VIC	
Royal Melbourne Wine Awards	Jimmy Watson Memorial Trophy	Deep Woods Estate 2014 Cabernet Sauvignon Reserve	Deep Woods Estate – Yallingup WA	
	The James Halliday Trophy for Best Pinot Noir	Eddystone Point 2015 Pinot Noir	Eddystone Point – Reynella TAS	
	The Victorian Trophy for Red Wines of Provenance	Castagna Genesis Syrah 2012, 2005, 2002	Castagna – Beechworth VIC	
	The Trevor Mast Trophy for Best Shiraz	Napoleone Vineyard 2015 Shiraz	Punt Road Wines – Coldstream VIC	
	The Francois De Castella Trophy for Best Young White Wine	Seville Estate 2015 Chardonnay	Seville Estate – Seville VIC	
	The Douglas Seabrook Single Vineyard Trophy	Napoleone Vineyard 2015 Shiraz	Punt Road Wines – Coldstream VIC	
	The Kym Ludigsen Trophy for Viticultural Excellence	Napoleone Vineyard 2015 Shiraz	Punt Road Wines – Coldstream VIC	
	The Bill Chambers Trophy for Best Fortified in Show	Morris Old Premium Rare Liqueur Topaque	Morris Wines – Rutherglen VIC	
	Australian International Beer Awards	Champion Large Australian Brewery		Stone & Wood Brewing Co – Byron Bay NSW
		Champion Large International Brewery		Ballast Point Brewing and Spirits – California USA
Champion Medium Australian Brewery			Two Birds Brewing – Spotswood VIC	
Champion Medium International Brewery			Pelican Brewing Company – Oregon USA	
Champion Small Australian Brewery			Pirate Life Brewing – Hindmarsh SA	
Champion Small International Brewery			Moylan's Brewing Company – California USA	
Australian Gypsy Brewer Award			BrewCult – Ballandean QLD	
Australian International Coffee Awards	Champion Australian Roaster		Bean!Roasters by Cosmorex – Canberra ACT	
	Champion Espresso	Panama Red Bourbon	Bean!Roasters by Cosmorex – Canberra ACT	
	Champion Milk Based Coffee	Mocha Java	Bellissimo Coffee – Fortitude Valley QLD	
	Champion Filter Coffee	Destinations Panama	Aroma Coffee Roastery – Marrickville NSW	
	Champion Cold Brew	CHNO Panama	Bellissimo Coffee – Fortitude Valley QLD	
	Champion Direct Trade or Microlot Coffee	CHNO Panama	Bellissimo Coffee – Fortitude Valley QLD	
Stock & Land Beef Week	RASV Heifer Challenge		Tarcombe Herefords – Ruffly VIC	
Royal Melbourne Poultry Show	Supreme Champion in Show - in Memory of Mr G Sheppard	Black Cockerel	George Norman – Benalla VIC	
Royal Melbourne Alpaca Show	Supreme Champion Suri	Pitchingga Ridge Soleil	Jean and David Daddo (Pitchingga Ridge) – Red Hill VIC	
	Supreme Champion Huacaya	Yenaminut Evokateur	Precision Alpaca Group – Baynton VIC	

CORPORATE GOVERNANCE

The Board will continue to foster strong relationships with RASV's joint venture partner and ensure that the Redevelopment Project Objectives are achieved.

Board of Directors

The Board's overarching objectives are to represent and serve the interests of members, guide and monitor the business and affairs of RASV, and implement good corporate governance structures consistent with relevant ASX governance principles, specifically to:

- Provide strategic guidance and approve the organisation's strategic/business plans, budgets and performance targets;
- Lay solid foundations for management and oversight;
- Structure the Board to add value;
- Promote ethical and responsible decision making;
- Safeguard integrity in financial reporting;
- Recognise and manage risk;
- Encourage enhanced performance – from economic, social and environmental standpoints;
- Remunerate fairly and responsibly;
- Recognise the legitimate interests of RASV's stakeholders.

The Board will continue to foster strong relationships with RASV's joint venture partner and ensure that the Redevelopment Project Objectives are achieved.

Board Composition

The Board comprises of a maximum of ten Directors and is chaired by the person so elected by the Directors.

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

Membership Committee

The Membership Committee is appointed by the Board of Directors. The Committee consists of a minimum of three members and is chaired by a person nominated by the chairman and assisted by RASV's General Manager Marketing & Business Development.

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



Audit and Risk Management Committee

The Audit and Risk Management Committee consists of Non Executive Directors and suitably qualified independent persons.

It is charged with:

- Assisting the Board and RASV senior management in discharging their responsibilities for financial reporting and in maintaining a reliable system of internal controls covering all of RASV's operations and activities;
- Monitoring the implementation of RASV's relevant strategies, in relation to their risk management components;
- Fostering the organisation's ethical environment;
- Overseeing and appraising the quality of the audits conducted both by the internal and external auditors;
- Fostering and maintaining open lines of communication between the internal and external auditor to ensure information exchange and coordination of activity;
- Monitoring and assessing the adequacy and scope of RASV's procedural, operating and accounting controls;
- Providing an independent and objective review of operational and financial information provided by management to the Board.

Nominations Committee

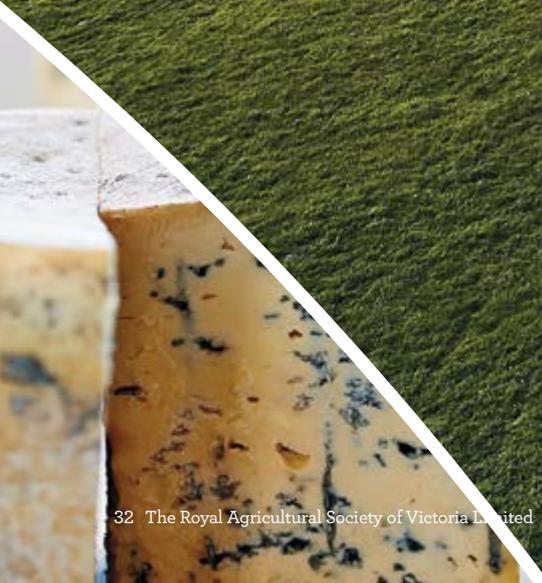
The Nominations Committee is appointed by the Board of Directors and is primarily responsible for making recommendations to the Board regarding the selection and nomination of chairpersons and members of:

- The Board;
- Board Committees;
- Industry Advisory and Show Event Committees.

The Committee is also appointed to oversee the implementation of performance evaluation processes for members of the above groups.

Political Activity

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



FOR THE YEAR ENDED 31 MARCH 2017

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

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 2017 and the auditor’s report thereon.

DIRECTORS	
The directors of the Company at any time during or since the end of the financial year are:	
Name	Experience and Special Responsibilities
Matthew John Coleman	Matthew has experience in rural representation, economic development and policy design and administration at both State and Federal levels. He sits on a number of Boards and Committees directly relevant to the rural sector and owns a commercial dairy farm in West Gippsland. Matthew joined the Board in September 2011 and was appointed Chairman in August 2016. He also chairs the Nominations and Performance Committee.
Dr Catherine Grace Victoria Ainsworth	Catherine has broad experience in government, agribusiness, pharmaceuticals and specialist equine veterinary practice. She is currently the CEO of Pony Club Australia Ltd and holds Non-Executive Director positions on a number of Boards. Catherine joined the Board in February 2017.
Douglas Scott Chapman	Scott has a broad experience in business growth, marketing and major event management and sits on a number of Boards with rural connections. He is currently CEO of the Royal Flying Doctor Service and was appointed a Director of the Company in June 2009. He is a member of the Audit and Risk Management Committee and the Nominations and Performance Committee.
Darrin Grimsey	Darrin has extensive experience in the projects environment as an engineer, project manager and financial / commercial adviser and is a partner with Ernst & Young. Darrin joined the Board in April 2015 and is chair of the Master Planning Committee and a member of the Audit and Risk Management Committee.
Alan John Hawkes	Alan has significant financial, banking and treasury experience. He joined the Board in April 2008 and chairs the Board Audit and Risk Management Committee.
Deborah Anne Hodgson	Deborah has extensive experience in finance, commercial management, strategic planning and project management and has worked in several industries including construction, energy, facilities management and the public sector. Deborah was appointed to the Board in August 2010 and resigned in August 2016.
Noelene Elizabeth King OAM	Noelene runs a beef property and a dairy heifer replacement enterprise in Gippsland. She is involved in local Agricultural Societies, the Stud Beef Victoria Handlers Camp and actively promotes youth in agriculture. She represented the Society on the Young Farmer Finance Council from 1999 to 2011 and serves on several agricultural committees. Noelene was appointed to the Board in September 2011, chairs the RASV Foundation Committee and is a member of the Nominations and Performance Committee and Master Planning Committee.
Geoffrey James Phillips	Geoff has a background in rural journalism and marketing with a particular interest in the beef industry. He was appointed a Director in April 2002 and retired in August 2016.
Joy Anita Potter	Joy has extensive experience in sheep, beef cattle farming and cropping and serves on several agricultural committees. She has an interest in the arts and is a Board member of the Port Fairy Spring Music Festival. Joy was elected as a Director and her term commenced in August 2007. She is also a member of the RASV Foundation Committee.
Peter Jason Bruce Ronald OAM	Jason has worked for the University of Melbourne, Ballarat University, Federal and State Governments and Qantas. He runs a property fattening cattle and conducts the Broilga Pony Stud. Jason was appointed a Director in September 2009 and is a member of the Nominations and Performance Committee.
Stephen Charles Spargo AM	Stephen has experience in commercial law and corporate finance. He was appointed a Director in July 2000 and Chairman of the Board in December 2009 and is a member of the Master Planning Committee. Stephen stepped down as Chairman of the Board in August 2016 and resigned in June 2017.

COMPANY SECRETARY

Jonathan Perry

Jonathan is a Certified Practising Accountant with over twenty years' experience in financial management. He was appointed as Company Secretary on 1 June 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the course of the year ended 31 March 2017 have comprised organising and staging the Royal Melbourne Show and other agriculture, food, wine and related competitions, and also the venue management of the Melbourne Showgrounds.

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

OBJECTIVES AND STRATEGIES FOR ACHIEVING OBJECTIVES

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

The short term objectives of the Company are to promote and celebrate agriculture through events that link industry to consumers and aim to improve quality and increase demand for Victorian agricultural produce.

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

The Company's strategy for achieving these objectives is to hold, promote, assist or subsidise exhibitions, displays or shows of any nature or kind at any time or place. This includes conducting Victoria's largest community event, the Royal Melbourne Show, and leading industry events such as the Royal Melbourne Wine Awards, the Australian International Beer Awards, the Australian International Coffee Awards and the Australian Food Awards. In addition, the Company is also responsible for management of the Melbourne Showgrounds event and exhibition venue.

PERFORMANCE MEASURES

The objectives of the Company are able to be measured using various performance measures. These include numbers of members and exhibitors, event attendances, customer satisfaction ratings, number of agricultural industry organisations involved in events and competitions, and growth in returns from the Show, the venue and other events.

REVIEW AND RESULTS OF OPERATIONS

The operating result of the Company for the year before income tax and joint venture contribution was a surplus of \$722,883 (2016: surplus of \$296,136). After inclusion of the RASV share of loss in the joint venture accounted for using the equity method of accounting, the net deficit of the Company for the year after tax was \$4,040,533 (2016: deficit \$3,722,024). During the year:

- Rental and associated income from the Venue operation was \$7,573,528 and the net result for the current financial year is a surplus of \$1,422,416. During the year the Company was obliged to make a contribution toward capital investment of \$672,277. The capital investment contribution is a minimum annual contribution specified by the Showgrounds Venue Management Agreement. This contribution ensures that a portion of the profits from the venue operation are reinvested back into the Showgrounds site. The Company has fulfilled its obligations by investing \$212,086 in projects including the purchase of venue equipment, additional external flood lighting, further CCTV improvements across the site and depositing \$460,191 into a capital investment account to be applied against future capital reinvestment.
- After submissions to the Australian Taxation Office, the Company received exemption from GST under Section 38-250(2)(v)(ii) of the GST Act for certain classes of admissions and entries relating to the Royal Melbourne Show.
- The Company paid fees to the Joint Venture and the Concessionaire as part of its contractual obligations. These fees will be ongoing until the completion of the 25 year term of the Concessionaire in 2031. The State of Victoria has agreed to provide a loan to the Company to settle any shortfall in funding. At the conclusion of the concession period this loan may be repaid in the form of a transfer to the State of all or part of the Company's interest in the Joint Venture (refer Note 8).
- The Company was appointed Venue Manager for the Melbourne Showgrounds in December 2007 for the provision of venue management services for a term of five years, effective 1 April 2007. This was subsequently extended while further negotiations for the renewal of the contract were undertaken. Effective 1 July 2014 the Company has been appointed Venue Manager until the conclusion of the concession deed in 2031.

DIRECTORS' REPORT CONT'D

FOR THE YEAR ENDED 31 MARCH 2017

DIVIDENDS

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as described elsewhere in this report there were no significant changes in the Company's state of affairs during the year.

EVENTS SUBSEQUENT TO BALANCE DATE

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future years.

DIRECTORS' MEETINGS

The number of Directors' meetings and Audit and Risk Management Committee meetings attended by each of the directors of the Company during the year are:

	Directors' Meetings Attended	Directors' Meetings Eligible to Attend	Audit and Risk Management Meetings Attended	Audit and Risk Management Meetings Eligible to Attend
Dr CGV Ainsworth	2	2	-	-
DS Chapman	7	8	6	7
MJ Coleman	7	8	2	3
D Grimsey	7	8	3	7
AJ Hawkes	7	8	6	7
DA Hodgson	3	5	3	4
NE King OAM	8	8	-	-
GJ Phillips	3	5	-	-
JA Potter	8	8	-	-
PJB Ronald OAM	8	8	-	-
SC Spargo AM	7	8	4	4

MEMBER'S LIABILITY

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

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under the Australian Charities and Not-for-Profit Commission Act 2012 is set out on page 38.

Signed in accordance with a resolution of the Board of Directors made pursuant to the Australian Charities and Not-for-Profit Commission Act 2012.

On behalf of the Directors



M J Coleman
Director
Chairman



D S Chapman
Director

Dated this 27th day of June 2017
Melbourne, Victoria

AUDITOR'S INDEPENDENCE DECLARATION



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Level 18, 727 Collins Street
Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

DECLARATION OF INDEPENDENCE BY DAVID GARVEY TO THE DIRECTORS OF THE ROYAL AGRICULTURAL SOCIETY OF VICTORIA LIMITED

As lead auditor of The Royal Agricultural Society of Victoria Limited for the year ended 31 March 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads 'David Garvey'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David Garvey
Partner

BDO East Coast Partnership

Melbourne, 27 June 2017

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017	2016
		\$	\$
Revenue			
Rendering of Services	2	25,353,181	24,844,607
Other Income	2	3,321,765	2,162,851
		28,674,946	27,007,458
Expenses			
Advertising, Promotion and Marketing		1,363,587	1,428,925
Depreciation		1,217,091	1,277,981
Event Expenses		5,198,435	5,607,559
Finance Costs		1,802	2,053
Maintenance, Hire and Event Set Up		6,516,930	5,315,289
Professional Fees		1,393,415	1,332,917
Salaries and Wages		7,951,602	7,357,960
Utilities and Rates		711,424	796,343
Venue Access and Service Fees		1,522,345	1,501,214
Other Expenses		2,075,432	2,091,081
		27,952,063	26,711,322
Profit before income tax and Joint Venture loss		722,883	296,136
Share of loss from equity accounted investment in Joint Venture	8	(4,763,416)	(4,018,160)
Loss before income tax		(4,040,533)	(3,722,024)
Income Tax Expense	13	-	-
Loss after income tax attributable to members		(4,040,533)	(3,722,024)
Other Comprehensive Income, net of tax		-	-
Total Comprehensive Income for the Year		(4,040,533)	(3,722,024)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the attached notes.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Note	2017	2016
		\$	\$
Current Assets			
Cash and Cash Equivalents	4	8,035,754	7,353,464
Trade and Other Receivables	5	274,923	320,879
Prepayments	6	609,286	558,775
Total Current Assets		8,919,963	8,233,118
Non-Current Assets			
Property, Plant and Equipment	7	6,045,679	6,601,553
Investment in Joint Venture accounted for using the Equity Method	8	58,956,360	63,719,776
Total Non-Current Assets		65,002,039	70,321,329
Total Assets		73,922,002	78,554,447
Current Liabilities			
Trade and Other Payables	9	1,997,825	2,562,769
Provision for Employee Benefits	10	689,166	674,073
Total Current Liabilities		2,686,991	3,236,842
Non-Current Liabilities			
Interest Bearing Liabilities	11	95,105	96,869
Provision for Employee Benefits	10	78,509	118,806
Total Non-Current Liabilities		173,614	215,675
Total Liabilities		2,860,605	3,452,517
Net Assets		71,061,397	75,101,930
Equity			
Retained Earnings		46,411,477	50,452,010
Land Revaluation Reserve		24,500,000	24,500,000
Asset Replenishment reserve		149,920	149,920
Total Equity		71,061,397	75,101,930

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Land Revaluation Reserve	Asset Replenishment Reserve	Retained Earnings	Total Equity
	\$	\$	\$	\$
As at 31 March 2015	24,500,000	163,172	54,160,782	78,823,954
Restatement of Asset Replenishment Reserve	-	(13,252)	13,252	-
Loss after income tax for the year	-	-	(3,722,024)	(3,722,024)
Other comprehensive income for the year, net of tax	-	-	-	-
As at 31 March 2016	24,500,000	149,920	50,452,010	75,101,930
Loss after income tax for the year	-	-	(4,040,533)	(4,040,533)
Other comprehensive income for the year, net of tax	-	-	-	-
As at 31 March 2017	24,500,000	149,920	46,411,477	71,061,397

The Statement of Changes in Equity is to be read in conjunction with the attached notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017	2016
		\$	\$
Cash Flows From Operating Activities			
Receipts from customers (inclusive of GST)		30,749,338	28,699,520
Payments to suppliers and employees (inclusive of GST)		(29,568,019)	(27,906,129)
Interest received		165,754	128,704
Net Cash flows provided by Operating Activities	(ii)	1,347,073	922,095
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(661,217)	(875,302)
Net Cash flows used in Investing Activities		(661,217)	(875,302)
Cash Flows From Financing Activities			
Payments of trophy funds		(3,566)	(11,444)
Net Cash flows used in Financing Activities		(3,566)	(11,444)
Net Increase in Cash held		682,290	35,349
Cash and Cash Equivalents at Beginning of Financial Year		7,353,464	7,318,115
Cash and Cash Equivalents at End of Financial Year	4	8,035,754	7,353,464

The Statement of Cash Flows is to be read in conjunction with the attached notes.

NOTES TO THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

(i) **Financing Facilities**

A commercial bill facility of \$1 million (2016: \$1 million) exists with National Australia Bank Limited. The facility is available until 30 September 2017 and is renewed on an annual basis. At 31 March 2017, \$nil (2016: \$nil) was in use.

The commercial bill facility is secured by the Company's interest in the Joint Venture as well as by way of a fixed and a floating charge on all assets. Liquidity risk is considered low.

(ii) **Reconciliation of Net Cash provided by Operating Activities to Loss after Income Tax**

	2017	2016
	\$	\$
Loss after Income Tax for the Year	(4,040,533)	(3,722,024)
Add/(less) non-cash items:		
Depreciation	1,217,091	1,277,981
Interest accrued on trophy funds	1,802	2,010
Bad debts expense	32,966	51,794
Allowance for doubtful debts written off	(50,000)	-
Loss from equity accounted joint venture	4,763,416	4,018,160
Changes in Assets and Liabilities:		
Decrease in Receivables	62,990	93,895
(Increase) in Prepayments	(50,511)	(131,105)
(Decrease) in Payables	(564,944)	(725,121)
(Decrease)/Increase in Provisions	(25,204)	56,505
Net Cash Provided by Operating Activities	1,347,073	922,095

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1. A) CORPORATE INFORMATION

The financial report of the Company for the year ended 31 March 2017 was authorised for issue in accordance with a resolution of the Directors on the same date as the directors' declaration.

The Company is a company limited by guarantee incorporated and domiciled in Australia.

The nature of operations and principal activities of the Company are described in the Directors' report.

The Company's registered office and principal place of business is at Melbourne Showgrounds, Epsom Road, Ascot Vale, Victoria, 3032.

1. B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-Profit Commission Act 2012.

The financial statements have been prepared under historical cost convention.

(b) Significant Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The key estimates and assumptions which are material to the financial reports are found in the following notes:

- Note 5 : Trade and Other Receivables
- Note 7 : Property, Plant and Equipment
- Note 8 : Investment in Joint Venture
- Note 10 : Provision for Employee Benefits

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

2. REVENUE

	2017	2016
	\$	\$
Rendering of Services		
Admissions Revenue	7,209,921	7,256,854
Catering Income	2,468,988	2,900,175
Client Servicing	680,887	714,018
Competition Income	1,653,660	1,466,356
Members Subscriptions	260,670	252,950
Parking Revenue	926,079	858,417
Rental Income	10,021,093	8,990,221
Sponsorship	2,131,883	2,405,616
	25,353,181	24,844,607
Other Income		
Government Grant	-	15,405
Interest	165,754	128,704
Ticketing Promotions	2,218,843	1,226,397
Other Revenue	937,168	792,345
	3,321,765	2,162,851
Total Revenue	28,674,946	27,007,458

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

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

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 using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

3. EXPENSES

	2017	2016
	\$	\$
Loss before Income tax includes the following specific expenses:		
Ticketing Promotions	2,138,567	1,133,719
Depreciation Expense	1,217,091	1,277,981
Bad and Doubtful Debts	32,966	51,794
Lease Rental Expense - operating leases	33,715	34,788
Employee Costs		
Employee Annual and Long Service Leave Entitlements	480,665	431,110
Salaries – Permanent Employees	4,818,960	4,494,333
Salaries – Casual Staff and Contractors	2,094,393	1,831,543
Superannuation Contribution Expense	520,470	495,910
Other Employee Costs	37,114	65,064
	7,951,602	7,317,960

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. These are carried at face value of the amounts deposited. The carrying amounts of cash and short term deposits approximate net fair value.

	2017	2016
	\$	\$
Cash on hand	67,750	55,518
Cash at bank and on deposit	7,507,813	7,297,946
Cash on deposit – Capital Investment Obligation (a)	460,191	-
	8,035,754	7,353,464

Average interest rates at 31 March 2017 on cash accounts were 1.83% (2016: 1.86%).

(a) funds to be applied against future capital reinvestment in the Showgrounds, as described in note 14.

5. TRADE AND OTHER RECEIVABLES

	2017	2016
	\$	\$
Trade Receivables	256,549	367,129
Allowance for Doubtful Debts	-	(50,000)
	256,549	317,129
Sundry Receivables	18,374	3,750
	274,923	320,879

All credit and recovery risk has been provided for in the Statement of Financial Position. As at 31 March 2017 debts that were past due but not doubtful amounted to \$131,743 (2016: \$141,120).

5. TRADE AND OTHER RECEIVABLES (cont.)

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

	As at 31 March 2017		As at 31 March 2016	
	Trade Receivable	Allowance	Trade Receivable	Allowance
Current	124,806		226,009	
31 – 60 days	83,709		134,077	
61 – 90 days	720		-	
91 days and over	47,314	-	7,043	(50,000)
Closing Balance	256,549	-	367,129	(50,000)

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost which is the original invoice amount less an allowance for any uncollectible amount. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

The provision for impairment of receivables requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the financial position of individual debtors. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

6. PREPAYMENTS

	2017	2016
	\$	\$
Prepaid Insurance	243,360	222,032
Prepaid Other	365,926	336,743
	609,286	558,775

Expenses paid in the current financial year for which the economic benefits have not been completely consumed at reporting date, have been deferred and recorded as a prepayment in the Statement of Financial Position. Prepayments are amortised as an expense in the Statement of Profit or Loss and Other Comprehensive Income in future years as the economic benefits of the payment are consumed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

7. PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	\$	\$
Buildings and Structures		
At cost	6,002,496	6,000,858
Accumulated depreciation	(1,664,905)	(1,299,373)
	4,337,591	4,701,485
Motor Vehicles		
At cost	85,119	85,119
Accumulated depreciation	(77,872)	(71,053)
	7,247	14,066
Plant and Equipment		
At cost	7,025,353	6,649,945
Accumulated depreciation	(5,324,512)	(4,763,943)
	1,700,841	1,886,002
	6,045,679	6,601,553

Reconciliation of Movements in 2017

	Opening Balance	Additions	Depreciation	Disposals	Closing Balance
	\$	\$	\$	\$	\$
Buildings and Structures	4,701,485	1,638	(365,532)	-	4,337,591
Motor Vehicles	14,066	-	(6,819)	-	7,247
Plant and Equipment	1,886,002	659,579	(844,740)	-	1,700,841
	6,601,553	661,217	(1,217,091)	-	6,045,679

Reconciliation of Movements in 2016

	Opening Balance	Additions	Depreciation	Disposals	Closing Balance
	\$	\$	\$	\$	\$
Buildings and Structures	4,886,785	179,497	(364,797)	-	4,701,485
Motor Vehicles	20,884	-	(6,818)	-	14,066
Plant and Equipment	2,096,563	695,805	(906,366)	-	1,886,002
	7,004,232	875,302	(1,277,981)	-	6,601,553

Property, plant and equipment is recorded at cost less accumulated depreciation and any accumulated impairment losses. Directly attributable costs arising from the acquisition or construction of fixed assets are also capitalised as part of the cost.

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.

7. PROPERTY, PLANT AND EQUIPMENT (cont.)

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. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount, and impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The depreciation rates used for each class of asset is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Building and Structures	2.5% - 10%
Plant and Equipment	10% - 33.3%
Motor Vehicles	20%

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are included in the Statement of Profit or Loss and Other Comprehensive Income.

Estimation of useful lives of assets

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

8. INVESTMENT IN JOINT VENTURE

Joint ventures are contractual arrangements between the Company and one or more other parties to undertake an economic activity that is subject to joint control, and the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control only exists when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

A joint venturer shall recognise its interest in a joint venture as an investment and shall account for that investment using the equity method of accounting. Under the equity method the Company will recognise its share of the net assets of the joint venture on a single line in the Statement of Financial Position and its share of the net profit or loss on a single line in the Statement of Profit or Loss and Other Comprehensive Income.

Profits or losses on transactions with the joint venture are eliminated to the extent of the Company's ownership interest until such time as they are realised by the joint venture entity on consumption or sale.

The joint venture structure involves an unincorporated Joint Venture and an incorporated entity known as the Project Company – Showground Nominees Pty Ltd – which has the role of holding the project land on a bare trust basis for and on behalf of the Joint Venture participants. Each participant, the State of Victoria and the Company, owns 50% of the shares in the Project Company. It has been determined by the Company that the structure and the legal form of the Showgrounds Joint Venture through a separate legal entity, along with the rights and obligations of the joint venture participants as set out in the agreements, indicate that this joint arrangement meets the definition of a joint venture under AASB 11.

The reporting date for the Joint Venture is 30 June 2017. Interim information has been extracted for the purpose of preparation of the Company's financial statements as at 31 March 2017, which is subject to audit by the Company's auditor.

The RASV interest in the net assets and share of the net loss of the Joint Venture at 31 March 2017 is as follows:

Name of Entity	Principal Activity	Interest	
		2017	2016
		%	%
Unincorporated Joint Venture	To carry out the redevelopment of the Royal Melbourne Showgrounds	50	50

The joint venture is accounted for using the equity method in these financial statements.

	Notes	2017	2016
		\$	\$
Current Assets			
Cash		728,861	1,196,203
Trade and Other Receivables	(a)	13,008,271	12,666,088
Total Current Assets		13,737,132	13,862,291
Non Current Assets			
Land - fair value	(c)	100,000,000	100,000,000
Buildings and Structures - net carrying amount		77,260,189	79,888,136
Trade and Other Receivables	(a)	22,180,439	31,588,833
Total Non Current Assets		199,440,628	211,476,969
Total Assets		213,177,760	225,339,260

8. INVESTMENT IN JOINT VENTURE (cont.)

	Notes	2017	2016
		\$	\$
Current Liabilities			
Trade and Other Payables		3,421,273	3,473,932
Income in Advance		110,000	110,000
Interest Bearing Liabilities	(b)	2,896,132	2,611,144
Total Current Liabilities		6,427,405	6,195,076
Non Current Liabilities			
Income in Advance		4,541,935	4,651,935
Interest Bearing Liabilities	(b)	84,295,700	87,052,697
Total Non Current Liabilities		88,837,635	91,704,632
Total Liabilities		95,265,040	97,899,708
Net Assets of Joint Venture		117,912,720	127,439,552
Proportion of the Company's ownership interest in the Joint Venture		50%	50%
Carrying amount of the Company's interest in the Joint Venture		58,956,360	63,719,776

- (a) Trade and other receivables includes the unreceived balance of the \$100.7 million funding commitment from the State of Victoria, discounted back to present value.
- (b) The interest bearing liabilities represents the finance lease relating to the Showgrounds buildings development with a lease term of 25 years.
- (c) In February 2016, by directive from the Department of Treasury and Finance, the Royal Melbourne Showgrounds Land asset was re-valued by the Valuer-General Victoria. The property comprises three separate titles and each title was valued using the highest and best economic use of the land resulting in a valuation of \$178,180,000, an increase in value of \$78,180,000. The option of highest and best use for development of the land is not considered by the Company to reflect the true value of the land, particularly in relation to the Western Non-Core land title. The 2016 valuation of the Western Non-Core land was undertaken giving consideration to a proposal by a Chinese developer for the development of VRC land adjacent to the Showgrounds site, a proposal for three towers to a maximum of 29 stories. However, subsequent development approval given for the site following a planning panel hearing reduced the development to a maximum of 10 stories on the site. Due to this change in circumstances the Showgrounds Joint Venture commissioned the Valuer-General Victoria to provide an estimate of market value taking into consideration the planning panel amendments for the adjoining VRC land. The Valuer-General Victoria provided an estimate of value under two scenarios - 1) highest and best use and 2) a restricted preferred use. The estimates provided under both scenarios resulted in a significant reduction in the estimate of market value for the Western Non-Core land subsequent to the 2016 valuation based on highest and best use. The Company has undertaken to defer the recognition of the land revaluation in the financial statements until a valuation for the Western Non-Core land taking into account the recent planning panel amendments is received from the Valuer-General Victoria. Until this valuation is undertaken the Company will recognise the value of the land as at the 2011 valuation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

8. INVESTMENT IN JOINT VENTURE (cont.)

	2017	2016
	\$	\$
Income	4,050,553	5,256,800
Expenditure	(13,577,385)	(13,293,119)
Loss for the Year	(9,526,832)	(8,036,319)
Other Comprehensive Income	-	-
Total Comprehensive Income for the Year	(9,526,832)	(8,036,319)
Proportionate share of Loss	(4,763,416)	(4,018,160)
The above loss for the year includes the following:		
Depreciation	(2,627,946)	(2,627,946)
Interest Income	2,920,804	3,512,594
Interest Expense	(8,597,447)	(9,080,018)
Income Tax Expense	-	-

The State of Victoria has made a funding commitment of approximately \$100.7 million and the Company has transferred its land with buildings and improvements to the Joint Venture. The redevelopment of the Showgrounds, which was completed in August 2006, was delivered under the Government's Partnerships Victoria methodology.

Showgrounds Nominees Pty Ltd, as nominee for the Joint Venture, has entered into a number of agreements with the developer of the Showgrounds, referred to as the Concessionaire. These agreements included settlement for the construction of the buildings and infrastructure and the ongoing maintenance and life-cycle costs during the duration of the concession deed of 25 years.

These costs will be met from existing assets of the Joint Venture, some of the future revenue streams from the Showground facilities, and where necessary, funding from the State Government, in accordance with agreements entered into between the Joint Venture, the Joint Venture participants and Showgrounds Nominees Pty Ltd.

Under the State Support Deed – Core Land, the State has undertaken to ensure the performance of the payment obligations in favour of the Concessionaire and the performance of the Joint Venture financial obligations in favour of the security trustee.

Under the State Commitment to the RASV, the State has agreed to support certain obligations of the Company which may arise out of the Joint Venture Agreement. In accordance with the terms set out in the State Commitment to the RASV, the State will pay (in the form of a loan), the amount requested by the Company. If any outstanding loan amount remains unpaid at 25 August 2031, which is 25 years after the commencement of the operation term under the Development and Operation Agreement, the Company will be obliged to satisfy and discharge each such outstanding loan amount. This may take the form of a transfer to the State of the whole or part of the Company's participating interest in the Joint Venture.

A fixed and floating charge over the assets of the Company has been entered into between the Company and the State. The Company has granted the fixed and floating charge to the State as security for the due and punctual performance of the Company's obligations under or in connection with the charge, the Project Objectives Agreement, the Intellectual Property Agreement or the Events Agreement.

9. TRADE AND OTHER PAYABLES

	2017	2016
	\$	\$
Trade Payables	779,518	1,052,068
Accruals	639,840	1,249,921
Income in Advance	578,467	260,780
	1,997,825	2,562,769

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

10. PROVISION FOR EMPLOYEE BENEFITS

	2017	2016
	\$	\$
Aggregate employee benefits, including on-costs		
Provision for Employee Benefits (Current)	689,166	674,073
Provision for Employee benefits (Non-current)	78,509	118,806
	767,675	792,879

Provisions are recognised when the Company has a legal or constructive obligation to make a future sacrifice of economic benefits to others as a result of past transactions or events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Wages, Salaries and Annual Leave

The provisions have been calculated at undiscounted amounts and are based on amounts expected to be paid when the liabilities are settled. The employee benefit liabilities expected to be settled within twelve months from reporting date are recognised as current liabilities.

Long Service Leave

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

11. INTEREST BEARING LIABILITIES (NON-CURRENT)

	2017	2016
	\$	\$
Trophy Funds	95,105	96,869

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

12. ISSUED CAPITAL

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

13. TAXATION

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).

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Exemption from GST has been determined under Section 38-250(2)(v)(ii) of the GST Act for certain classes of admissions and entries relating to the Royal Melbourne Show. The determination of GST-free status for admissions and entry fees is carried out on an annual basis.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

14. COMMITMENTS

Leases

Leases where the lessor retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating lease rental expense is recognised as an expense and charged to profit and loss on a straight line basis over the lease term.

	2017	2016
	\$	\$
Future operating lease rentals not provided for in the financial statements		
Payable:		
Not longer than one year	30,620	30,915
Longer than one year but not longer than two years	28,620	28,620
Longer than two years but not longer than five years	9,540	38,160
	68,780	97,695

Operating leases have an average lease term of 4 years. Assets that are subject to operating leases include office and IT equipment.

14. COMMITMENTS (cont.)

Asset Replenishment Fund

As part of the contractual obligations with the State, the Company is obliged to contribute to the Joint Venture a defined percentage of its cash surplus based on a pre-determined formula as specified in the RAS Events Agreement. Subject to a floor of \$2 million (indexed), the Company must contribute 25% of its cash surplus (before including the 50% share of joint venture results) for the remainder of the operating term.

Based on the Company's result, the current year contribution payable to the Asset Replenishment Fund is \$0 (2016: \$0).

Capital Investment Obligation

As part of the contractual obligations set out in the Showgrounds Venue Management Agreement 2014 – 2031, the Company is obliged to make a contribution toward capital investment in relation to the Showgrounds. This means capital reinvestment by way of facility modifications or venue fixtures, fittings & equipment of a substantial nature.

The Company must contribute at least \$650,000 (indexed) each year toward capital investment. In any year where the profits exceed \$1,600,000 (indexed), an amount equal to 25% of the profit exceeding the \$1,600,000 (indexed) must also be contributed toward capital investment. Any capital investment obligations not expended must be held in a capital investment account until such time as the funds are required to fund approved capital investment.

During the year ended 31 March 2017, the Company's capital investment obligation is \$672,277. The Company has fulfilled its obligations by investing \$212,086 in projects including the purchase of venue equipment, additional external flood lighting, further CCTV improvements across the site and depositing \$460,191 into a capital investment account to be applied against future capital reinvestment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

15. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The company's principal financial instruments comprise receivables, payables, and cash and cash equivalents. These activities expose the company to a variety of financial risks: market risk, interest rate risk, credit risk and liquidity risk.

Financial Risk Management is the responsibility of the Board, which takes advice from the Audit and Risk Management Committee under an authorised Investment Policy. This policy outlines the key objective of achieving the maximum possible investment return within approved investment criteria and risk parameters.

Although the company does not have documented policies and procedures other than an authorised investment policy, the Board manages the different types of risks to which the company is exposed by considering risk and monitoring levels of exposure to interest rates and by being aware of market forecasts for interest rates. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through general business budgets and forecasts.

The entity holds the following financial instruments:

	2017	2016
	\$	\$
Financial Assets:		
Cash and Cash Equivalents	8,035,754	7,353,464
Receivables	274,923	320,879
Total Financial Assets	8,310,677	7,674,343
Financial Liabilities:		
Trade and Other Payables	1,997,825	2,562,769
Interest Bearing Liabilities	95,105	96,869
Total Financial Liabilities	2,092,930	2,659,638
Net Exposure	6,217,747	5,014,705

As of 31 March 2017 the Company had net financial instrument assets of \$6,217,747. The directors of the RASV believe that the Company will be able to settle the liabilities summarised above as and when they fall due.

15. FINANCIAL INSTRUMENTS (cont.)

(b) Risk Exposures and Responses

Interest Rate Risk

The entity's exposure to market interest rates relates primarily to short term deposits held.

Management monitors term deposit rates and balances the achievement of high rates against the flexibility offered by at call funds.

Sensitivity analysis

Management are of the opinion that applying a sensitivity analysis rate of 1% is a reasonable estimate of the uncertainty in the market over the next twelve months.

At 31 March, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax loss and equity would have been affected as follows:

	Net Loss Higher / (Lower)		Net Assets Higher / (Lower)	
	Year Ended 31 March		As at 31 March	
	2017	2016	2017	2016
	\$	\$	\$	\$
+1% (100 basis points)	(80,358)	(73,535)	80,358	73,535
-1% (100 basis points)	80,358	73,535	(80,358)	(73,535)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

15. FINANCIAL INSTRUMENTS (cont.)

Price Risk

All investment decisions are subject to regular Board review, after scrutiny and recommendations received from the Audit and Risk Management Committee. The Company does not engage in any significant transactions which are highly speculative in nature. The Company does not have any material exposure to price risk.

Credit Risk

The maximum exposure to credit risk at reporting date in relation to recognised financial assets is the carrying amount of those assets as disclosed in the Statement of Financial Position and notes to the financial statements. These include a receivable from the State of Victoria which carries no risk. The Company had no significant concentrations of credit risk with any single counter party or group of counter parties.

Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Maturities of trade and other payables, and interest bearing liabilities

The table below analyses the company's financial liabilities:

	Maturing within 0 – 60 days	Maturing 60 days – 1 year	1 year +	Total
	\$	\$	\$	\$
2017				
Trade and Other Payables	1,727,160	244,584	26,081	1,997,825
Interest Bearing Liabilities	-	-	95,105	95,105
Total Financial Liabilities	1,727,160	244,584	121,186	2,092,930
2016				
Trade and Other Payables	2,165,301	397,468	-	2,562,769
Interest Bearing Liabilities	-	-	96,869	96,869
Total Financial Liabilities	2,165,301	397,468	96,869	2,659,638

(c) Net Fair Values

The net fair value of assets and other liabilities approximates their carrying value.

16. EVENTS SUBSEQUENT TO BALANCE DATE

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future years.

17. AUDITORS REMUNERATION

	2017	2016
	\$	\$
Total of all remuneration received and receivable in connection with:		
(a) Audit of the Annual Financial Report	31,100	31,100
(b) Other Services:		
Royal Melbourne Show Assurance Procedures	2,655	2,555
Other Audit Services – Joint Venture	20,400	20,400
	54,155	54,055

18. DIRECTORS REMUNERATION

	2017	2016
	\$	\$
Directors of the Company did not receive any remuneration for services provided	-	-

19. RELATED PARTY TRANSACTIONS

- (i) The names of all Directors who have held office during the year are:
Dr Catherine Grace Victoria Ainsworth (appointed 1/2/17)
Douglas Scott Chapman
Matthew John Coleman
Darrin Grimsey
Alan John Hawkes
Deborah Anne Hodgson (resigned 23/8/16)
Noelene Elizabeth King OAM
Geoffrey James Phillips (resigned 23/8/16)
Joy Anita Potter
Peter Jason Bruce Ronald OAM
Stephen Charles Spargo AM (resigned 26/6/17)
- (ii) 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.
- (iii) The Royal Agricultural Society of Victoria Limited has a 50% interest in an unincorporated joint venture. Refer to note 8 for transactions for the year ended 31 March 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

20. KEY MANAGEMENT INFORMATION

Key management personnel comprise persons having authority and responsibility for planning, directing and controlling the activities of the Company. These persons consist of the Chief Executive Officer, Mark O'Sullivan and General Managers, Kate Heeps, Bradley Jenkins, Michael Martin and Jonathan Perry.

The amounts paid or payable to key management are as follows:

	2017	2016
	\$	\$
Short-term employee benefits	1,427,955	1,406,736
Other long-term benefits	181,852	247,615
Termination benefits	184,331	55,624
	1,794,138	1,709,975

21. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

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

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period. The Company has elected not to early adopt these new standards or amendments in the financial statements.

The following new accounting standards are not yet effective but may have an impact on the Company in the financial years commencing on or after 1 April 2017:

AASB 9 Financial Instruments:

This standard modifies the classification and measurement of financial assets and is effective for financial years beginning on or after 1 January 2018. The directors anticipate that the adoption of AASB 9 will not have a material impact on the Company's financial statements.

AASB 15 Revenue from Contracts with Customers:

This standard modifies the determination of when to recognise revenue and how much revenue to recognise. The effective date for this standard is for financial years beginning on or after 1 January 2019.

AASB 16 Leases:

This standard requires lessees to recognise all lease assets and liabilities on the balance sheet and recognise the amortisation of leased assets and interest on lease liabilities over the lease term. The effective date for this standard is for financial years beginning on or after 1 January 2019.

AASB 1058 Income of Not-for-Profit Entities:

This standard establishes principles for recognising income on transactions where the consideration to acquire an asset is significantly less than fair value and for the receipt of volunteer services. The effective date for this standard is for financial years beginning on or after 1 January 2019.

The Company is currently in the process of determining the potential impact of adopting the above standards.

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 31 MARCH 2017

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

- (a) the accompanying financial statements and notes thereto, are in accordance with the Australian Charities and Not-for-Profit Commission Act 2012, comply with the accounting standards and the Australian Charities and Not-for-Profit Commission Act 2012, and give a true and fair view of the Company's financial position as at 31 March 2017 and of its performance for the year ended on that date; and
- (a) at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to the Australian Charities and Not-for-Profit Commission Act 2012.



M J Coleman
Director
Chairman



D S Chapman
Director

Dated this 27th day of June 2017
Melbourne, Victoria

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE ROYAL AGRICULTURAL SOCIETY OF VICTORIA LIMITED



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INDEPENDENT AUDITOR'S REPORT

To the members of The Royal Agricultural Society of Victoria Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Royal Agricultural Society of Victoria Limited, which comprises the statement of financial position as at 31 March 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of The Royal Agricultural Society of Victoria Limited, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (i) Giving a true and fair view of the registered entity's financial position as at 31 March 2017 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and Division 60 of 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 registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and 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.

Other information

The directors of the company are responsible for the other information. The other information comprises the information in the company's annual report for the year ended 31 March 2017, but does not include the financial report and our auditor's report thereon.

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.



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 directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *ACNC Act* and for such internal control as the directors determine is 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The directors of the company are responsible for overseeing the company's financial reporting process.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_files/ar3.pdf.

This description forms part of our auditor's report.

BDO East Coast Partnership

A handwritten signature in blue ink that reads 'David Garvey'.

David Garvey
Partner

Melbourne, 27 June 2017

