

Royal National Capital Agricultural Society

Annual Report



2017–2018

Royal National Capital Agricultural Society

ABN: 12 008 514 912

**PO Box 124
Mitchell ACT 2911**

Contents

Chief Minister's Message	2
Chairperson's Report	3
The Royal National Capital Agricultural Society	5
The Society	
Who we are	
Our events	
Our people	
Office bearers	
Council	
In Memoriam	
ActewAGL's Message	8
2017 in Review	9
Royal Canberra Poultry Show	
Agricultural Education Day	
Canberra Home & Leisure Show	
ActewAGL Canberra and Region Wine Show	
The National Wine Show of Australia	
Financial Reporting	12



Chief Minister's Message



I am delighted to introduce the Royal National Capital Agricultural Society's Annual Report as the Society's Patron.

Linking Canberra to the wider region is becoming crucial as our city continues to grow. Agricultural products are critical to the region and the ACT Government is creating opportunities to collaborate. These links will significantly benefit the Society and its stakeholders over the coming years.

The events sponsored and run by the Society showcase the best of our region. From the ActewAGL Royal Canberra Show to the ActewAGL Canberra and Region Wine Show and The National Wine Show of Australia, the Society continues to help highlight the diversity of our region and the importance of agriculture to life in Canberra today.

I'd like to thank the Society's members, Councillors, volunteers and employees for their tireless work and contribution to Canberra and the surrounding region.

Andrew Barr
ACT Chief Minister

Chairperson's Report



The Annual Report of the Royal National Capital Agricultural Society (RNCAS) provides an insight into the events, competitions and activities undertaken by the Society during 2017 and early 2018 as well as some of the challenges the Society must and will face to move forward into 2019 and beyond.

The 2017/18 year has been a tough one for the RNCAS, off the back of several hard years. The year offered up many challenges that have been both complex and difficult to resolve. Our financial position is still poor, and sadly this was exacerbated by heavy financial losses from the 2018 ActewAGL Royal Canberra Show.

The placement of our show at the end of February means it is a competitor for the consumer dollar in a crowded Canberra event calendar, and needs to continually demonstrate its difference and value for money to interest the Canberra community and general public.

The ActewAGL Royal Canberra show is unique in Canberra as it is a competition based format. True to the purpose of an agricultural show of 'encouraging the best in breed' the Royal is our chance for competitors from all sections to show their best, brightest, fluffiest and tastiest. The value for sponsors is they directly connect with their customers and consumers, and show their commitment to the wider Canberra community; commercial exhibitors

have the opportunity to demonstrate and deliver their product to the Canberra people; and for regular attendees, it is a chance to meet up with old friends and have a good time.

After the losses of the 2017 show, some hard decisions were made to achieve our intended goals. These included cuts in areas where the costs were just too high to sustain, and trialling lower cost options. As an example, we paused wood chop in 2018 as the running costs in the current form were just too high. It was a contentious and anguished decision, and we are working to have it back in a more compact and affordable version in 2019. To fill the gap, we had the Lost Trades interactive display which was well received, and we hope to have them back in 2019 as well.

The Show was on track to achieving its budget target until early Saturday night when we experienced a bad storm. That was followed early Sunday morning by torrential rain that caused flooding on the ground, the cancellation of many events and the early exit of many competitors and exhibitors. This was a terrible shame after the innovative planning and hard work put in by the Society, and the competitors who work so hard to get there. It was a small consolation and very pleasing to me to see families arriving after lunch on the Sunday in their raincoats to "have their day at the show".

Chairperson's Report (continued)

There were still many bright moments, with ActewAGL hosting the ever popular Peppa Pig on their stage for 3 shows; the smiles and joy from people of all ages was heart-warming. The Yard Dogs held the NSW and ACT Championships on 2 rings over the three days, with the finals on the Sunday afternoon in terrible weather conditions. Showing true Aussie grit, they battled on. This successful event run by Les White and his committee was highly praised.

In other areas, the Society has been successful: The National Wine Show of Australia (NWS) again was a solid and positive performer with an increase in entries. The NWS is a valued and profitable show for the Society, and it has to be encouraged to grow to maintain its reputation and status so it can continue to be Australia's leading wine show and something we are all very proud of. We thank their major sponsors in Singapore Airlines, Dan Murphy's, and Riedel.

The ActewAGL Canberra and Region Wine Show was again very successful. It is a testament to the quality of the show that it maintains its status as a qualifier for the NWS. It is our intention to more closely align the two wine shows in both management and development.

The Royal Canberra Poultry Show was held over the June long weekend. It was the biggest poultry show in the southern hemisphere in 2017, and this success and acclaim is something we are very proud of. Peter Shands, the committee and the large number of volunteers required to put on a show of this size and magnitude ensured it was a resounding success, and we thank them for all their hard work.

The Canberra Home and Leisure Show was a continuing solid performer, and we look forward to the 2018 show being a successful event.

Regarding the overall health of the Society, we are battling hard and really 'doing it tough'. Again it has been a year of cost cutting, driving the hard bargain to get the best value we can for our dollar and striving to survive. Leading the way in 2017/18 was Patrice Brandenburg-Wallace who stepped up from the operations manager role to the CEO.

She worked through the show in very trying conditions and did a great job. We thank her for her hard work and commitment.

Part of the cost savings initiatives and decisions has been about addressing our wages costs. It has been the biggest single demand on our resources for many years. It is very difficult when you have to let valued staff members go, but that is what we had to regrettably do to survive in these tough financial times.

With a now small, dedicated and shoestring staff at the office, we are asking the members of the Society to assist us as we roll our sleeves up and rebuild from the ground up. We are a volunteer organisation and now more than ever is the time that we need our members and friends of the Society to step up and help - to 'answer the call' for the good and the future of the Society.

I would like to sincerely thank our valued supporters and sponsors. The depth of a friendship shows when people offer a hand when you are struggling. ActewAGL who are our naming rights sponsor have been a huge support, both financially and morally. The Canberra community is lucky to be supported at many different levels by them, and we especially are very thankful to have such a friend and supporter. TTM have continued to be a valued and major supporter to us during the year and we sincerely thank them. The ACT Government, through Liz Clarke and the EPIC team, continue to offer assistance to the Society. I personally thank Liz for her assistance and support to me in the position of Chairperson.

To my fellow board members, councillors, members, volunteers and contractors and staff who work with us, I have the deepest thanks and gratitude for the time, energy and efforts that you put in.



Michael Kennedy
Chairperson
Royal National Capital Agricultural Society

The Royal National Capital Agricultural Society

The Society

The Royal National Capital Agricultural Society (RNCAS) is a not-for-profit private organisation. It originated from the Ginninderra Farmers' Union, which was established in 1905 to aid district land owners in improving their farming methods with the introduction of scientific ideas. The first show was held in 1927. Ninety-one annual shows later, the RNCAS continues to support and promote agriculture through events, competition and education.

The RNCAS is comprised of a Board, Council, Members and Staff.

Who we are

The RNCAS Board provides leadership and direction to the organisation. The Council of 60 provides advice and manages 23 different committees. This is supplemented throughout the year by members, judges and stewards who total around 1,200. These volunteers bring a wealth of expertise in a diverse range of rural, business and professional pursuits.

The RNCAS has a team of nine full time staff who manage the day-to-day affairs of the Society. Our staff are drawn from a variety of backgrounds including agriculture, event management, sales, marketing, financial services, administration and management.

Our events

The Australian Capital Territory's largest all ages event, the ActewAGL Royal Canberra Show, brings to the National Capital the best the country has to offer in agricultural competitions. To that we add arts and crafts, entertainment, commercial exhibits, carnival rides and show bags.

The Nation's premier wine show, The National Wine Show of Australia, is an annual competition to recognise and reward excellence in Australian wines.

The district's leading wine show, the ActewAGL Canberra and Region Wine Show is a competition designed to promote quality local wines.

The Canberra Home and Leisure Show is the number one consumer show in the ACT.

The Royal Canberra Poultry Show is held annually on the Queen's Birthday long weekend.

The Agricultural Education Days and Programs provide opportunities for learning and acquiring agricultural skills.

Our people

Board meetings were held on seven occasions during the financial year from April 2017 to March 2018. Council meetings were also held on seven occasions in June, August, October, December, February, March and May.

At the Annual General Meeting held 18 December 2017, Mr B Litchfield was re-elected to the Board and Mr N Landry was welcomed as a Board and Council Member. He is currently the CEO of Summernats and brings with him a wealth of knowledge. Ms J Rawlings was welcomed as the Treasurer.

A new Councillor was appointed at the 2017 Annual General Meeting, Mr James Gallagher.

The Royal National Capital Agricultural Society

Office Bearers

Patron

Mr Andrew Barr, MLA, Chief Minister of the ACT

Board of Directors

President	Mr M Kennedy
Vice President	Mr B Patterson
Treasurer	Ms J Rawlings
Director	Ms K Harvey
Director	Mr B Litchfield
Director	Mr N Landry
Director	Mr I James

Honorary Solicitor

Mr D Hanstein LLB

Honorary Architect

Mr J Antoniak ARAIA

Honorary Life Members

Mr D Algie (2007), Mr S Beer (2000), Mr G Cannock (2011), Mr F Coonan (1983), Mr W Moore (1993), Ms M Wheatley (1980), Mr F Wommelsdorff (2009)

Honorary Councillors

Mr R Buckmaster (2013), Mr B Champion (1996), Ms L Cooke (2014), Mr Vern Court (1999), Mr K Keith (1996), Ms L McGrath-Jones (2015), Ms E Robinson (2008)

Auditors

RSM Australia Pty Ltd

The Royal National Capital Agricultural Society

Council

Re-Election 2017	A (E)	Re-Election 2018	A (E)	Re-Election 2019	A (E)
Mr J Allan	6 (7)	Mr B Allan	5 (7)	Mrs L Allan	6 (7)
Mr A Chesworth	5 (7)	Ms S Coulton	4 (7)	Mr M Avent	7 (7)
Mr F Coonan	3 (7)	Ms S Davies	0 (7)	Mr S Barr	3 (7)
Mr M Corkhill	5 (7)	Ms H Eldridge	0 (7)	Mr S Glover	3 (7)
Ms K Fitzsimons	5 (7)	Mr P Frater	7 (7)	Mr I James resigned March 2018	5 (6)
Ms J James	6 (7)	Mr A Gregory	6 (7)	Ms B Jekyll	7 (7)
Mr M Kennedy	7 (7)	Mr M Hagstrom	6 (7)	Mr B Litchfield	3 (7)
Mr D Metcalf	2 (4)	Mr S Hall	6 (7)	Mr J McDonald	7 (7)
Mr A Moore	6 (7)	Mrs K Harvey	4 (7)	Mr D McPhie	3 (7)
Ms M Norris	3 (7)	Mr D Hyde	6 (7)	Mr S Mills	1 (7)
Mr B Patterson	5 (7)	Mr B King	2 (7)	Ms D Riddell	5 (7)
Mr A Price	3 (7)	Mr P Livingston	4 (7)	Mr B Rodgers	2 (7)
Ms T Rolls	2 (4)	Ms S Locke	0 (7)	Mr E Sellers	5 (7)
Mr S Skaines	0 (4)	Ms J Sachs	1 (7)	Mr P Shands	3 (7)
Mr S Sutherland	7 (7)			Ms A Toet	6 (7)
Ms S White	6 (7)			Ms D White	5 (7)
Mr A Wilson	0 (4)			Ms K White	0 (7)
				Mr L White	6 (7)
				Mr A Wiseman	7 (7)

Council meeting attendance: A = Meetings attended E = Meetings eligible to attend

In Memoriam



Robert (Rob) Mutton

ActewAGL's Message

As Canberra's local energy people, ActewAGL gets behind many of the region's premiere events. And for more than 20 years we've been putting our energy behind the Royal Canberra Show.

From fairy floss, to baby chicks, there's nothing like the electric atmosphere of the show. And to share the experience with local families doing it tough, we gave seven of our charity partners show packs full of tickets, ride coupons and showbag vouchers, to pass on to families they support.

And because we know a day out at the show can be expensive, we delivered loads of free, family-friendly fun in ActewAGL Alley. This year we themed Saturday 'The Pig Day Out', featuring Peppa Pig on stage, running in conjunction with the ever popular, Noah's Farm Pig Races.



Peppa Pig on stage at the Show

Fitting with this theme, our staff volunteers sold plush toy piglets to show-goers, with all the proceeds going to Lifeline. We're pleased to say over \$3,500 was raised for this great cause.

Show-goers also had the opportunity to get up close and personal with their favorite baby animals in the ActewAGL Farmyard Nursery, which proved a popular attraction again this year. Children and adults alike happily enjoyed the puppies, kittens, lambs, chicks and calves on display.

Our competition winners and business customers made good use of the ActewAGL VIP marquee, giving them a front row seat to watch all the action in the main arena.

We had a great time sharing the once-a-year Royal Canberra Show experience with the community and we can't wait to do it all again in 2019.

ActewAGL – we'll always support the local events you love.

actewagl.com.au

Join us on Facebook and Twitter for competitions and events.

2017 in review

Royal Canberra Poultry Show

In 2016 the National Poultry show moved from the RNCAS to Sydney, and was held over the June long weekend, the traditional date for the Royal Canberra Poultry Show. This move presented the Society with an exciting opportunity to redesign the 2017 Royal Canberra Poultry Show.

A new Poultry committee took charge in March 2016 and embraced the challenge to reposition the Royal Canberra Poultry Show as a premier event in the Australian exhibition poultry calendar.

Thanks to the hard work of the new committee, the 2017 Show was the largest Poultry Show held in Australia that year. More than 2200 entries were exhibited from over 200 exhibitors, representing almost every state and territory in Australia.

Highlights included Australia's inaugural Royal Rare Breed Championship and the inclusion of the Brahma and Cochin Club of Australia's Annual National Show. There were more firsts, with the innovative coreflute exhibition pen system making its debut at the Show.

Newly appointed for a 3 year term, Show Patron Ms Megg Miller, well-known poultry judge, author and publisher, officially opened the Show.

The Show was positively received by exhibitors, officials, visitors and media and is now positioned at the top of the 'must attend' list of events for poultry enthusiasts in Australia.

The prize for Grand Champion Bird of the Show was awarded to Mr Damian Wilson of South Australia.



Judging underway at the Show

Agricultural Education Day

On Wednesday 13 September, over 125 students descended on the Kosciuszko Pavilion for the Royal National Capital Agricultural Society's annual 2017 Agricultural Education Day.

Offered to schools free of charge, Agricultural Education Day gives students the opportunity to learn about vital components of Australia's agricultural industry from expert presenters who live and breathe farming.

Students were treated to interactive discussions on beef cattle, work health and safety, poultry, sheep, wool, agronomy and sheep shearing with Ian Elkins, and, thanks to sponsors Woolworths & Mike Meats, the Society was able to organise a BBQ lunch for the students.

The Society would also like to thank all the volunteers and councillors who gave up their time to set up displays and share their knowledge with the students groups, ensuring the day was a great success.



Students learning about wool

2017 in review

Canberra Home & Leisure Show

The 2017 Canberra Home & Leisure Show was again well supported by exhibitors and visitors and was a commercial success for the Society.

New entertainment and free activities for families proved popular, with the Canberra Royal Next Gen's petting zoo on Saturday and Sunday particularly well supported.

Online tickets for the Home Show were offered for the first time in 2017 and this initiative was a great success. Online tickets will be offered again for the 2018 Show.

Planning is well underway for an even bigger and better show in 2018 with many exhibitors, baking and fishing exhibitions, and interactive experiences already confirmed.

ActewAGL Canberra and Region Wine Show

It was another very successful year for the ActewAGL Canberra and Region Wine Show, which provides local vineyards with a platform to benchmark their wines and is a qualifying event for The National Wine Show of Australia.

The field of exhibits in the 2017 show was strong, with 318 entries from 54 wineries, judged across three days. Sebastian Crowther, Master Sommelier, continued in the role of Chair of Judges and led the panel of experts who awarded 13 trophies and 24 gold medals across 21 classes, with 47% of exhibits receiving a medal.

The Champion Wine of Show was awarded to Ballinaclash for the 2016 Edward Hilltops Shiraz and the Wine of Provenance Trophy was awarded to the Mount Majura Vineyard Tempranillo. Mr Crowther noted that the Wine of Provenance Class included some impressive exhibits, demonstrating that the Region can produce a diverse array of wines that have the ability to speak of place and age consistently.

The Society would like to thank 2017 presenting partners, Canberra Weekly and Master Builders Association of the ACT for their support.



Just some of the goods on display at the Show

For a full details on results, please visit the RNCAS website.

The RNCAS would like expresses sincere thanks to ActewAGL, The Tradies and all sponsors and volunteers who contribute to the running of this event.



Society Patron Mr Andrew Barr, MLA, Chief Minister of the ACT with some of the trophy winners at the awards presentation

2017 in review

The National Wine Show of Australia

The 2017 National Wine Show was held in November and considered an outstanding success in many ways. Under the chairmanship of Jim Chatto, a team of 20 judges and associate judges, comprising many of Australia's leading winemakers, viticulturists, sommeliers, wine writers and marketers, assessed 1,171 wines from 210 exhibitors. They awarded 99 gold, 188 silver and 408 bronze medals and 21 trophies. Jim, who retired at the conclusion of the Show having served as Chair of Judges since 2014, recognised the exceptional quality of the 2015 Mount Majura Vineyard Shiraz, awarding it his Chair of Judge's Award.

"This is one of the most successful Shows held and the results reflect the high quality of wines being made in Australia" said Andy Gregory, Chair of the Wine Show Committee. "This year, through direct engagement with potential exhibitors we not only increased the overall number of exhibitors, but we received entries from 82 new exhibitors across Australia. This is an outstanding result for the wine industry, winemakers and the National Wine Show. I would like to acknowledge and thank our Principal Partners Singapore Airlines and Dan Murphy's and our other major and event partners for their ongoing support of Australia's premier wine show."

The Len Evans Memorial Trophy for Champion Wine of Show was awarded to Oakridge Wines 2015 Local Vineyards Series Shiraz – Oakridge Vineyard which also received the Shiraz and Red Wine of Show Trophies.

Other major trophy winners were: White Wine of Show – Brokenwood Wines 2016 Indigo Vineyard Chardonnay; White Wine of Provenance – Tyrrell's Vineyards 2017 2009 2006 Vat 1 Semillon; and Red Wine of Provenance – Rojomoma 2016 2010 2006 Red Art Shiraz.



Andy Gregory, Wine Show Committee Chair



Mr James Halliday AM presents Mr David Bicknell with the Len Evans Memorial Trophy for Champion Wine of Show

Financial Reporting

Directors' Report	12
Directors' Declaration	15
Auditor's Independence Declaration	16
Auditor's Report	16
Statement of Comprehensive Income	18
Statement of Financial Position	19
Statement of Changes in Equity	20
Cash Flow Statement	20
Notes to the Financial Statements	21

DIRECTORS' REPORT

Your directors present their report on the Society for the financial year ended 31 March 2018.

Directors

The names and qualifications/experience of the directors in office at any time during, or since the end of, the year are:

Name	Qualification/Experience	Appointment/Resignation
Michael Kennedy	Retired	Re-elected 17 October 2016
Bruce Patterson	Sales Manager	Re-elected 17 October 2016
Su McCluskey	Non-executive Director	Resigned 20 May 2017
Kathleen Harvey	Geologist/Researcher	Re-elected 17 October 2016
Ben Litchfield	Auctioneer	Re-elected 18 December 2017
Bruce Rogers	Retired	Resigned 23 June 2017
James Allen	Retired	Resigned 23 June 2017
Noel Landry	Executive Officer	Elected 18 December 2017
Jeanette Rawlings	Company Director	Elected 18 December 2017 Resigned 9 March 2018
Ian James	Company Director	Appointed October 2017 Resigned 29 February 2018

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activity

The principal activity of the Society in the course of the financial year was that of an Agricultural Society. During the year, there were no significant changes in the nature of the Society's activities.

Financial Reporting

Long Term Objectives:

- to promote the development of agricultural, pastoral and horticultural industries in the Australian Capital Territory and the surrounding region,
- to conduct exhibitions and competitions for:
 - (i) agricultural, pastoral and horticultural products;
 - (ii) arts, crafts, inventions, machinery and techniques used in industry,
- to establish relations, and promote the exchange of views and information, with similar organisations in Australia and in other countries,
- to maintain and grow membership numbers,
- to encourage and provide facilities for research and study in agriculture and related industries,
- to actively encourage youth membership to the Society, and
- to further establish and maintain relationships with the Agricultural and business sector.

Short Term Objectives:

- to conduct exhibitions and competitions to develop excellence in:
 - (i) agricultural, pastoral and horticultural products; and
 - (ii) arts, crafts, inventions, machinery and techniques used in industry, and
 - (iii) to encourage, and provide facilities for, research and study in agriculture and related industries.

Strategies:

- Continue to undertake a sustained membership drive and actively encourage youth through education seminars and by participating in events such as junior judging.
- Maintain a two-way communication flow between the business and agricultural sectors and the Society and manage the staging of the annual Royal Canberra Show, Royal National Poultry Show, Canberra Regional Wine Show, National Olive Oil Show, National Wine Show of Australia and Canberra Home & Leisure Show.

Operating Results

The operating loss of the Society for the financial year after income tax was \$155,802 (2017: loss of \$526,618).

Review of Operation

A review of the operations of the Society during the financial year and the results of those operations show that during the year, the Society continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

State of Affairs

No significant changes in the state of affairs of the Society occurred during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Society, the results of those operations or the state of affairs of the Society in future financial years.

Likely Developments and Expected Results

The Society does not propose to change any of its operations in the future.

Indemnification and Insurance of Directors and Officers

During or since the financial year, the Society has paid premiums in respect of a contract insuring all the directors of The Royal National Capital Agricultural Society (the Society) against costs incurred in defending proceedings for conduct

Financial Reporting

involving:

- a) A wilful breach of duty; or
- b) A contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.
- c) The total amount of insurance contract premiums paid was 162 (2017: 100).

Directors' Meetings

The numbers of meetings of directors held during the year and the number of meetings attended by each director were as follows:

Names	No. of Meetings held while in office	No. of Meetings attended
Michael B Kennedy	5	5
Bruce Patterson	5	5
Su McCluskey	2	1
Kathleen Harvey	5	4
Ben Litchfield	5	5
Bruce Rogers	2	2
James Allen	2	2
Noel Landry	3	3
Jeanette Rawlings	2	2
Ian James	2	2

Director's Benefit

No Director of the Society has, since the beginning of the financial year, received or has become entitled to receive a benefit other than a remuneration benefit shown in the accounts, or because of a contract that the Director, firm of which the Director is a member, or an entity in which the Director has a financial interest, has made (during the year ended 31 March 2018 or at any other time) with

- The Director; or
- An entity that the Society controlled when the contract was made or when the Director received, or became entitled to receive, the benefit.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 March 2018 has been received.

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

Director

Dated




Financial Reporting

DIRECTORS DECLARATION

The Directors have determined that the Society is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the Society declare that:

1. The financial statements and notes, are in accordance with *the Australian Charities and not-for-profit Commission Act 2012* and:
 - a. comply with Accounting Standards; and
 - b. give a true and fair view of the financial position as at 31 March 2018 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the Directors' opinion there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Dated



Financial Reporting

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Royal National Capital Agricultural Society for the year ended 31 March 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (i) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



GED STENHOUSE
Partner

Canberra, Australian Capital Territory
Dated: 23 July 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Royal National Capital Agricultural Society

Opinion

We have audited the financial report of Royal National Capital Agricultural Society (the Company), which comprises the statement of financial position as at 31 March 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company 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 Company's financial position as at 31 March 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, 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 Company in accordance with the auditor independence requirements of 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.

Financial Reporting

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of \$155,802 and had net cash outflows from operating activities of \$23,468 during the year ended 31 March 2018 and, as of that date, the Company's current liabilities exceeded its current assets by \$222,590. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes 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 ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



GED STENHOUSE
Partner

Canberra, Australian Capital Territory
Dated: 23 July 2018

Financial Reporting

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 \$	2017 \$
Revenue	3	2,859,876	3,036,042
Staffing costs		(770,235)	(843,480)
Depreciation and amortisation	4	(58,546)	(73,368)
Show expenses		(1,526,206)	(1,913,603)
Other expenses from ordinary activities		<u>(660,691)</u>	<u>(732,209)</u>
Net Loss for the Year		<u>(155,802)</u>	<u>(526,618)</u>
Other comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive Loss for the Year		<u>(155,802)</u>	<u>(526,618)</u>

Financial Reporting

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash assets	8 (a)	489,359	155,163
Investments	7	-	538,163
Trade receivables	5	45,371	149,290
Other receivables	6	9,260	2,477
Total Current Assets		543,990	845,093
Non-Current Assets			
Property, plant and equipment	9	254,368	253,058
Total Non-Current Assets		254,368	253,058
TOTAL ASSETS		798,358	1,098,151
LIABILITIES			
Current Liabilities			
Trade and other payables	10	697,132	708,083
Other liabilities	11	7,288	123,408
Provision	12	62,160	82,114
Total Current Liabilities		766,580	913,605
Non-Current Liabilities			
Provision	12	4,605	1,571
Total Non-Current Liabilities		4,605	1,571
TOTAL LIABILITIES		771,185	915,176
NET ASSETS		27,173	182,975
EQUITY			
Retained earnings		27,173	182,975
TOTAL EQUITY		27,173	182,975

Financial Reporting

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Society Retained Earnings \$	Total Equity \$
As at 1 April 2016	709,593	709,593
Surplus/(Loss) for the year	(526,618)	(526,618)
As at 31 March 2017	182,975	182,975
Surplus/(Loss) for the year	(155,802)	(155,802)
As at 31 March 2018	27,173	27,173

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Takings, receipts and rent from customers		3,236,372	3,315,334
Interest, dividends and distributions received		12,192	108,183
Payments to suppliers and employees		(3,279,139)	(3,829,115)
Gain on disposal of investments		7,107	-
Net cash flows generated from operating activities	8 (b)	(23,468)	(405,598)
Cash flows from investing activities			
Purchase of property, plant and equipment		(59,856)	(8,248)
Purchase of investments		-	(6,717)
Proceeds on sale of investments		538,163	614
Proceeds on loan draw down		-	120,643
Repayment of loan		(120,643)	-
Net cash flows from investing activities		357,664	106,292
Net increase / (decrease) in cash and cash equivalents		334,196	(299,306)
Cash and cash equivalents at beginning of period		155,163	454,469
Cash and cash equivalents at end of period	8 (a)	489,359	155,163

The accompanying notes form part of these financial statements

Financial Reporting

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted

Basis of preparation

The financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012. The Board has determined that the Society is not a reporting entity.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures'.

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Society incurred a loss of \$155,802 (FY2017: Loss \$526,618) and had net cash outflows from operating activities of \$23,468 (FY2017: \$405,598) for the year ended 31 March 2018. As at that date the Society had net current liabilities of \$222,590 (FY2017: \$68,512) and net assets of \$27,173 (FY2017: \$182,975).

These factors indicate a material uncertainty which may cast significant doubt as to whether the Society will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to be confident that the Society will be able to continue as a going concern, after consideration of the following factors:

- A staff restructure, which was finalised in April 2018, resulted in two positions being made redundant and will reduce future overhead expenses.
- The directors are planning the sale of certain assets and the subcontracting of an employee, which will provide a cash flow injection and reduce operating costs.
- The Society is working with our major suppliers to manage cash flow issues.

Accordingly, the Directors believe that the Society will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Society does not continue as going concern.

Financial Reporting

Income Tax

The Society is exempt from income tax under Section 50 – 40 of *the Income Tax Assessment Act (1997)*.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand, deposits held at call, other short-term highly liquid investments with original maturity of three months or less, and bank overdrafts.

For the purposes of the Cash Flow Statement, cash and cash equivalents consists of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowing in current liabilities on the balance sheet.

Property, plant and equipment

Fixed assets are carried at cost.

Plant and equipment

Plant and equipment is depreciated over the estimated useful term commencing from the time the asset is held ready for use.

Building and leasehold ground improvements

Building and leasehold ground improvements are assets erected on land owned by the National Exhibition Centre Trust and used by the Society under a licence agreement.

Intangible asset

The Canberra Times Spring Home & Leisure Show (incorporating Caravans, 4WD and Camping) (the Home Show) was acquired in November 2007. The cost was considered a license agreement to operate the Home Show for a period of five years (5 shows). After this period the license could be extended. As the license was initially for a fixed five-year period, the cost was amortised over the five years, and has subsequently been fully amortised.

Depreciation and amortisation

The depreciable amount of all fixed assets including building and capitalised lease assets is depreciated or amortised on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated useful lives used for each class of depreciable assets are:

Class of assets	Useful lives
Buildings	33 years
Plant and equipment	5 to 20 years
Leasehold improvements	50 years
Intangible asset	5 years

The assets' residual values, useful lives and amortisation 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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Financial Reporting

Employee Benefits

Provision is made in respect of the Society's liability for annual leave and long service leave accrued in respect of all full time employees within the Society. The Society does not accrue any benefits for casual staff.

In addition to industrial award superannuation, the Society made contributions to an employee superannuation fund. Contributions are charged as the expense is incurred. The Society has no legal obligation to cover any shortfall in the fund's obligation to provide benefits to employees on retirement.

Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Revenue from shows is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Membership subscription revenue is recognised on a basis that reflects the timing, nature and value of benefits provided.

Dividend revenue for investment accounts is recognised when the right to receive dividends has been established.

Interest revenue is recognised as interest accrues using the effective interest method.

All revenue stated net of the amount of goods and services tax (GST).

Income in advance is deferred in the Statement of Financial Position until associated expenditure is brought into account in the Statement of Comprehensive Income.

Comparative Figures

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current year.

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Society commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss. Fair value is determined based on current bid prices for all quoted

Financial Reporting

investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. The Society does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Society's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of the reporting period, the Society assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are immediately recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

NOTE 2: MEMBERS UNDERTAKING

The Society is a company limited by guarantee. Voting members may be liable to contribute up to an amount not exceeding \$1.00 each in the event of the Society being wound up.

NOTE 3: REVENUE

	2018 \$	2017 \$
Gate receipts and entry fees	1,111,880	1,270,747
Hiring and rentals	1,144,569	1,262,109
Membership subscriptions	28,786	40,780
Interest and distributions	12,192	108,183
Sponsorship receipts	364,777	320,380
Other receipts	190,565	33,843
Gain on disposal of investments	7,107	-
	2,859,876	3,036,042

Financial Reporting

	2018 \$	2017 \$
NOTE 4: DEPRECIATION		
Depreciation – Plant & equipment	37,073	51,894
Amortisation – Ground improvement	4,642	4,643
Amortisation – Buildings	16,831	16,831
	<u>58,546</u>	<u>73,368</u>

NOTE 5: TRADE RECEIVABLES

Trade receivables	20,935	82,284
Provision for impairment of receivables	(11,284)	(22,263)
GST receivables	35,720	89,269
	<u>45,371</u>	<u>149,290</u>

Trade debtors are to be settled within 30 days and are carried at amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts.

Provision for Impairment of Receivables

Current trade receivables are non-interest bearing and are generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that a trade receivable is impaired.

Movement in the provision for impairment of receivables as follows:

	Opening Balance \$	Movement \$	Closing Balance \$
Provision for impairment of receivables	22,263	(10,979)	11,284
	<u>22,263</u>	<u>(10,979)</u>	<u>11,284</u>

NOTE 6: OTHER RECEIVABLES

Prepayments	<u>9,260</u>	<u>2,477</u>
-------------	--------------	--------------

NOTE 7: INVESTMENTS

Shares	<u>-</u>	<u>538,163</u>
--------	----------	----------------

Financial Reporting

	2018 \$	2017 \$
NOTE 8: CASH AND CASH EQUIVALENTS		
(a) Reconciliation of cash		
Cash on hand	139	300
Cash at bank	<u>489,220</u>	<u>154,863</u>
	<u>489,359</u>	<u>155,163</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(b) Reconciliation off net profit /)loss) after tax to net cash flows from operations

Operating (loss) / surplus	(155,802)	(526,618)
<i>Add/subtract non-cash items:</i>		
Depreciation	58,546	73,368
<i>Movement in current assets and liabilities:</i>		
Decrease /(Increase) in Trade receivables and prepayments	97,136	(60,081)
Increase/(Decrease) in Trade and other payables	(10,951)	148,907
Increase/(Decrease) in Income in advance	4,523	(10,287)
Increase/(Decrease) in provisions	<u>(16,920)</u>	<u>(30,887)</u>
Net cash flows generated from operating activities	<u>(23,468)</u>	<u>(405,598)</u>

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Administration and council buildings on land under licence at cost	561,042	561,042
Less: Accumulated depreciation	<u>(410,597)</u>	<u>(393,766)</u>
	<u>150,445</u>	<u>167,276</u>
 Expendable plant and equipment at cost	 1,228,344	 1,196,724
Less: Accumulated depreciation	<u>(1,124,639)</u>	<u>(1,115,802)</u>
	<u>103,705</u>	<u>80,922</u>
 Leasehold improvements at cost	 232,113	 232,113
Less: Accumulated depreciation	<u>(231,895)</u>	<u>(227,253)</u>
	<u>218</u>	<u>4,860</u>
	<u>254,368</u>	<u>253,058</u>

Movement in Property, Plant and Equipment

	Administration & Council Building \$	Plant and Equipment \$	Leasehold Improvements \$	Total \$
Balance at the beginning of the year	167,276	80,922	4,860	253,058
Additions	-	59,856	-	59,856
Depreciation expense	(16,831)	(37,073)	(4,642)	(58,546)
Carrying amount at the end of year	<u>150,445</u>	<u>103,705</u>	<u>218</u>	<u>254,368</u>

Financial Reporting

	2018 \$	2017 \$
NOTE 10: TRADE AND OTHER PAYABLES		
Trade payables	601,691	665,346
Accrued expense	95,000	42,923
Other payables	441	(186)
	<u>697,132</u>	<u>708,083</u>

Trade payables are non-interest bearing and are normally settled in 30-day terms unless more favourable terms are negotiated.

NOTE 11: OTHER LIABILITIES

Income in advance	7,288	2,765
Loan payable	-	120,643
	<u>7,288</u>	<u>123,408</u>

NOTE 12: PROVISIONS

Current

Provision for annual leave	44,270	55,117
Provision for long service leave	17,890	26,997
	<u>62,160</u>	<u>82,114</u>

Non Current

Provision for long service leave	4,605	1,571
	<u>4,605</u>	<u>1,571</u>

NOTE 13: EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events that have occurred subsequent to 31 March 2018.

Financial Reporting

NOTE 14: RELATED PARTY DISCLOSURE

(a) Details of key management personnel

The Directors of the Royal National Capital Agricultural Society during the year were:

Names	Qualification/Experience
Michael Kennedy	Retired
Bruce Patterson	Sales Manager
Su McCluskey	Non-executive Director
Kathleen Harvey	Geologist/Researcher
Ben Litchfield	Auctioneer
Bruce Rogers	Retired
James Allen	Retired
Noel Landry	Executive Officer
Jeanette Rawlings	Company Director
Ian James	Company Director

(b) Remuneration of Directors

There was no remuneration of Directors in the period.

NOTE 15: CONTINGENT LIABILITIES

There are no contingent liabilities.

NOTE 16: SOCIETY DETAILS

The registered office of the Society is:

Exhibition Park in Canberra
Flemington Road
MITCHELL ACT 2911

Royal National Capital Agricultural Society

Hosts of

ActewAGL Royal Canberra Show

The National Wine Show of Australia

ActewAGL Canberra and Region Wine Show

Canberra Home & Leisure Show

Royal Canberra Poultry Show

Royal National Capital Agricultural Society

