



*Royal National Capital*  
Agricultural Society

# Annual Report

FY 2020-2021

ABN 12 008 514 912



**ROYAL NATIONAL CAPITAL AGRICULTURAL SOCIETY**  
**ABN 12 008 514 912**

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# Royal National Capital Agricultural Society

ROYAL NATIONAL CAPITAL AGRICULTURAL SOCIETY

ABN 12 008 514 912

## CHAIRPERSONS' REPORT

As with the rest of the world COVID 19 continued to have a major impact on the Society.

The Society was not permitted to conduct the annual Royal Canberra Show in 2021. We were only allowed to conduct events of less than 500 people with no public attendance.

Accordingly, on the last weekend in February 2021, we conducted a Royal Canberra Cattle and Dog Show as two separate events. These were subject to some stringent COVID protocols, which were enforced including temperature checks on all participants.

Both shows were highly successful and profitable. The Society's staff were all on JobKeeper and as better employment prospects elsewhere came up one by one, they accepted them. By the 31 March 2021 our last employee left. During the year the Society benefited from the Federal Government stimulus package. The ACT Government provided a rent-free period and consequently we were able to survive financially. Our only debtors had agreed to repayment plans that would not require payment until after the 2022 Royal Canberra Show.

Whilst it was an extremely difficult year, we were able to substantially reduce our operating costs and were heavily reliant on our volunteers to do the work previously done by our staff.

The Society has further sought rent relief from the ACT Government for the financial year 2021/22. This has now been approved. The Federal Government announced in September 2021 that they would be providing compensation for costs for Agricultural Shows that were cancelled in 2021. This compensation (\$93,918) was received in March 2022.

The small surplus (\$112,915) is encouraging as it has given us the opportunity to reduce our operating costs by the greater use of volunteers and using external technology to manage our competitive entry processes. The Society is now able to live within its means.

My sincerest thanks to all our Volunteers, including my fellow Board members, Councillors and a special mention to our volunteer CEO, Geoff Cannock, who keeps turning up determined to see the Society succeed.

It has been a pleasure leading such a committed group of people.

Rick Jones  
Chairperson  
Royal National Capital Agricultural Society  
13 July 2022



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Flemington Rd, Mitchell ACT 2911  
PO Box 124 Mitchell ACT 2911

ABN 12 008 514 912

**ROYAL NATIONAL CAPITAL AGRICULTURAL SOCIETY  
ABN 12 008 514 912**

**OFFICE BEARERS**

**Patron**

Mr Andrew Barr, MLA, Chief Minister of the ACT

**Honorary Life Members**

Mr D Algie (2007)

Mr S Beer (2000)

Mr G Cannock (2011)

**Board of Directors**

Chairperson

Mr R. Jones

Mr F Coonan (1983)

Deputy Chairperson

Ms K. Harvey

Ms M Wheatley (1980)

Director

Mr B. Litchfield

Mr F Wommelsdorff (2009)

Director

Mr M. Harriden

Director

Ms T. Rolls

**Honorary Councillors**

Director

Mr B. Kenworthy

Mr R Buckmaster (2013)

Mr B Champion (1996)

**Honorary Solicitor**

Mr D Hanstein LLB

Ms L Cooke (2014)

**Honorary Architect**

Mr J Antoniak ARAIA

Mr V Court (1999)

Mr K Keith (1996)

**Auditors**

RSM Australia Pty Ltd

Ms L McGrath-Jones (2015)

Ms E Robinson (2008)

**COUNCIL**

**Re-Election 2021**

Mr Ben Allan

Ms Sue Coulton

Mr David Dawes

Mr Peter Frater

Ms Amy Goldstraw

Mr Andy Gregory

Mr Michael Hagstrom

Ms Kathleen Harvey

Mr Derek Hyde

Mr Rick Jones

Mr Brett Kenworthy

Mr Brett King

Ms Sue Locke

Ms Jen White

Mr Ashley Wilson

**Re-Election 2022**

Mr Michael Avent

Mr Stuart Barr

Ms Kim Davis

Mr Stuart Glover

Mr Michael Harriden

Mr Ben Litchfield

Ms Judy McDonald

Ms Deanna Riddell

Ms Toni Rolls

Mr Eric Sellers

Ms Laura Sellers

Ms Ann Toet

Ms Denise White

Ms Kylie White

Mr Les White

Mr Andrew Wiseman

**Re-Election 2023**

Mr Michael Corkhill

Mr James Gallagher

Ms Charmayne Murray

Ms Michele Norris

Ms Katrina Phillips

Mr Andrew Price

Mr Stuart Sutherland

Ms Sue White

Mr Barry Waddell

**ROYAL NATIONAL CAPITAL AGRICULTURAL SOCIETY**  
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**DIRECTORS' REPORT**

Your directors present their report on the Society for the financial year ended 31 March 2021.

**Directors**

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

<b>Name</b>	<b>Qualification/Experience</b>	<b>Appointment/ Resignation</b>
Kathleen Harvey	Geologist/Researcher	Elected 26 November 2020
Ben Litchfield	Auctioneer	Re-elected 5 August 2019
Michael Harriden	Rural Retail Manager	Elected 5 August 2019
Toni Rolls	Executive Manager	Elected 5 August 2019
Rick Jones	Retired	Elected 26 November 2020
Brett Kenworthy	Chief Executive Officer	Elected 1 August 2018

**Principal Activity**

The principal activity of the Society in the course of the financial year was that of an Agricultural Society.

**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, competitions and any other initiatives which help develop and promote excellence in:
  - (i) agricultural, pastoral and horticultural products.
  - (ii) arts, crafts, inventions, machinery and techniques used in industry; and
  - (iii) research and study in agriculture and related industries.

**Strategies:**

- Seek out additional opportunities and events for the Society to manage which are consistent with and help promote achievement of the Society's short and long term objectives.
- Strive for operational improvements which help the Society achieve excellence as an event manager and as a promoter of agricultural, pastoral and horticultural industries in ACT and surrounding region.
- Ensure the Society builds and maintains high quality relationships with key internal and external stakeholders and stakeholder groups.
- Build the capability to be alert to both short and long term strategic issues and developments which present both threats and opportunities to the Society.

**ROYAL NATIONAL CAPITAL AGRICULTURAL SOCIETY**  
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**DIRECTORS' REPORT (CONTINUED)**

- Ensure the Society complies fully with all relevant legal and regulatory obligations relevant to both its day to day operations and the events and initiatives that it manages each year.

**Operating Results**

The operating surplus of the Society for the financial year after income tax was \$112,915 (2020: loss of \$419,715).

**Review of Operation**

A review of the operations of the Society and the results of those operations indicates 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**

In March 2021 the Society was aware that COVID 19 protocols would have a serious impact on the affairs of the Society.

**After Balance Date Events**

Novel Coronavirus (COVID -19)

The COVID-19 outbreak in Australia is expected to have an impact on the financial performance and liquidity of the Society in 2021/22. As at the time of completion of the 2021 Financial Statements, the Society is not yet in a position to fully assess the severity of the impact.

The Society continues to monitor the financial and non-financial impacts and has measures in place to manage the position as the situation evolves and impacts become clearer.

No other or circumstance has arisen since 31 March 2021 that has significantly affect the Society's operations, the results of those operations, or the Society's state of affairs in future financial years.

**Likely Developments and Expected Results**

The Society is seeking out additional opportunities to help generate new and additional revenue streams and to also help provide a more even income flow throughout the year.

**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 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*.

**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	Number of Meetings held while in office	Number of Meetings attended
Kathleen Harvey	5	1
Ben Litchfield	5	4
Michael Harriden	5	5
Toni Rolls	5	5
Rick Jones	5	5
Brett Kenworthy	5	4

ROYAL NATIONAL CAPITAL AGRICULTURAL SOCIETY  
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**DIRECTORS' REPORT (CONTINUED)**

**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 2021 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 2021 has been received.

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

Director



Dated

13/7/22



ROYAL NATIONAL CAPITAL AGRICULTURAL SOCIETY  
ABN 12 008 514 912

**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 2021 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 13/5/22



**RSM Australia Partners**

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**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 2021, 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
- (ii) any applicable code of professional conduct in relation to the audit.

**RSM AUSTRALIA PARTNERS**

**GED STENHOUSE**  
Partner

Canberra, Australian Capital Territory  
Dated: 26 July 2022

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

## INDEPENDENT AUDITOR'S REPORT

To the Members of Royal National Capital Agricultural Society

### Qualified Opinion

We have audited the financial report of Royal National Capital Agricultural Society (the Society), which comprises the statement of financial position as at 31 March 2021, 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, except for the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Company is in accordance with the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Society's financial position as at 31 March 2021 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 Qualified Opinion

Staffing costs of \$173,412 are disclosed in the Statement of Comprehensive Income for the year ended 31 March 2021. We were unable to obtain sufficient appropriate audit evidence about the completeness and accuracy of staffing costs for the year ended 31 March 2021 because there was insufficient evidence in respect of their hours worked and their rates of pay. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Society in accordance with the 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 qualified opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Society's current liabilities exceeded the current assets by \$5 at 31 March 2021. In addition, as of that date, the Society had a negative equity balance of \$ 44,482. 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 Society's ability to continue as a going concern. Our opinion is not further modified in respect of this matter.

## THE POWER OF BEING UNDERSTOOD

### AUDIT | TAX | CONSULTING

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**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 to assist the Society to meet the requirements of Division 60 of 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 further modified in respect of this matter.

**Responsibilities of the Directors for the Financial Report**

The directors of the Society are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 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 Society 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 Society or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

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

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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

A stylized, handwritten signature of 'RSM' in black ink.

**RSM AUSTRALIA PARTNERS**

A handwritten signature in black ink, appearing to read 'GED Stenhouse'.

Canberra, Australian Capital Territory  
Dated: 26 July 2022

**GED STENHOUSE**  
Partner

**ROYAL NATIONAL CAPITAL AGRICULTURAL SOCIETY**  
**ABN 12 008 514 912**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**31 MARCH 2021**

**ROYAL NATIONAL CAPITAL AGRICULTURAL SOCIETY**  
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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021	2020
		\$	\$
Revenue	4	406,992	2,065,555
Staffing costs		(173,412)	(555,509)
Depreciation and amortisation	5	(68,763)	(40,871)
Show expenses		(17,532)	(1,334,655)
Other expenses from ordinary activities		(34,370)	(554,235)
<b>Net Surplus / (Loss) for the Year</b>		<b>112,915</b>	<b>(419,715)</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income / (Loss) for the Year</b>		<b>112,915</b>	<b>(419,715)</b>

The accompanying notes form part of these financial statements.

**ROYAL NATIONAL CAPITAL AGRICULTURAL SOCIETY**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

		<b>2021</b>	<b>2020</b>
<b>ASSETS</b>	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>			
Cash and cash equivalents	<b>8(a)</b>	131,270	100,244
Trade and other receivables	<b>6</b>	6,319	100,909
Other assets	<b>7</b>	2,423	1,690
<b>Total Current Assets</b>		<b>140,012</b>	<b>202,843</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	<b>9</b>	155,523	224,285
<b>Total Non-Current Assets</b>		<b>155,523</b>	<b>224,285</b>
<b>TOTAL ASSETS</b>		<b>295,535</b>	<b>427,128</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	<b>10</b>	84,316	533,751
Other liabilities		44,745	-
Provision	<b>11</b>	10,956	50,423
<b>Total Current Liabilities</b>		<b>140,017</b>	<b>584,174</b>
<b>Non-Current Liabilities</b>			
Trade and other payables	<b>10</b>	200,000	-
Provision	<b>11</b>	-	351
<b>Total Non-Current Liabilities</b>		<b>200,000</b>	<b>351</b>

<b>TOTAL LIABILITIES</b>	<u>340,017</u>	<u>584,525</u>
<b>NET ASSETS</b>	<u>(44,482)</u>	<u>(157,397)</u>
<b>EQUITY</b>		
Retained earnings	<u>(44,482)</u>	<u>(157,397)</u>
<b>TOTAL EQUITY</b>	<u>(44,482)</u>	<u>(157,397)</u>

The accompanying notes form part of these financial statements

**ROYAL NATIONAL CAPITAL AGRICULTURAL SOCIETY**  
**ABN 12 008 514 912**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	<b>Retained Earnings</b>	<b>Total Total</b>
	<b>\$</b>	<b>\$</b>
<b>As at 1 April 2019</b>		
Surplus/(Loss) for the year	<b>262,318</b>	<b>262,318</b>
<b>As at 31 March 2020</b>		
Surplus/(Loss) for the year	(419,715)	(419,715)
<b>As at 31 March 2021</b>	<b>(157,397)</b>	<b>(157,397)</b>
	112,915	112,915
	<b>(44,482)</b>	<b>(44,482)</b>



**ROYAL NATIONAL CAPITAL AGRICULTURAL SOCIETY**  
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**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	<b>2021</b>	<b>2020</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Takings, receipts and rent from customers	586,264	2,358,187
Interest, dividends and distributions received	27	466
Payments to suppliers and employees	(555,265)	(2,624,422)
<b>Net cash flows used in operating activities</b>	<b>8(b) 31,026</b>	<b>(265,769)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	(64,713)
<b>Net cash flows from investing activities</b>	<b>-</b>	<b>(64,713)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>31,026</b>	<b>(330,482)</b>
Cash and cash equivalents at beginning of period	100,244	430,726
<b>Cash and cash equivalents at end of period</b>	<b>8(a) 131,270</b>	<b>100,244</b>

The accompanying notes form part of these financial statements

**ROYAL NATIONAL CAPITAL AGRICULTURAL SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**NOTE 1. 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**

In the directors' opinion, the Society is not a reporting entity because there are no users dependent on general purpose financial statements. 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.

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'.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**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's current liabilities exceeded its current assets by \$5 and it had a net asset deficiency of \$44,482.

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:

- There is an agreed repayment plan in place for debt of \$229,230 owing to the ACT Government. The first payment of \$29,230 is due on 31 March 2022 and then \$50,000 for the next four years on 31 March each year.
- The ACT Government has agreed to a credit of licence fee from 1 September to 31 December 2021, and has agreed to waive licence fees for the 2021/22 financial year. This has resulted in costs savings of \$232,810.

**ROYAL NATIONAL CAPITAL AGRICULTURAL SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- The Society has been successful in achieving funding from the ACT and Federal Government of \$15,000 due to the ACT lockdown which commenced on 17 August 2021. The Society is eligible for a further application under this program.
- The Society has run a successful show in March 2022, earning an unaudited profit at 31 March 2022 of \$527,499. This has increased the cash at bank as at 31 March 2022 to \$921,658, and as a result the entity is in a net current asset position as at that date.

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 a going concern.

**Revenue recognition**

The Society recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Sales revenue*

Events, fundraising and raffles are recognised when received or receivable.

*Donations*

Donations are recognised at the time the pledge is made.

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**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 includes cash on hand and deposits held at call with financial institutions.

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**ABN 12 008 514 912**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Trade and other receivables**

Other receivables are recognised at amortised cost, less any allowance for expected credit

losses. **Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

<b>Class of assets</b>	<b>Useful lives</b>
Buildings	33 years
Plant and equipment	5 to 20 years
Leasehold improvements	50 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is de-recognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to Statement of Comprehensive Income.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at 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 national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Goods and Services Tax ('GST') and other similar taxes (continued)**

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

**NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Estimation of useful lives of assets*

The Society determines the estimated useful lives and related depreciation and amortisation charges for its 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 and amortisation 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.

*Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

*Employee benefits provision*

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**NOTE 3. 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 4. REVENUE</b>		
Gate receipts and entry fees	70,252	1,040,138
Hiring and rentals	68,794	649,136
Membership subscriptions	19,785	37,206
Interest and distributions	27	466
Sponsorship receipts	7,961	317,457
Other receipts	423	20,305
Government stimulus	239,750	-
Sale of assets	-	847
	<u><b>406,992</b></u>	<u><b>2,065,555</b></u>

**NOTE 5. DEPRECIATION**

Plant & equipment	52,064	24,040
Ground improvement	-	-
Buildings	16,699	16,831
	<u><b>68,763</b></u>	<u><b>40,871</b></u>

**NOTE 6. TRADE AND OTHER RECEIVABLES**

Trade receivables	6,316	36,932
Less: Allowance for expected credit losses	-	(9,921)
GST receivables	3	73,898
	<u><b>6,319</b></u>	<u><b>100,909</b></u>

**NOTE 7. OTHER ASSETS**

Inventories	1,023	1,023
Prepayments	1,400	667
	<u><b>2,423</b></u>	<u><b>1,690</b></u>

**NOTE 8. CASH AND CASH EQUIVALENTS**

**(a) Reconciliation of cash**

Cash on hand	200	200
Cash at bank	131,070	100,044
	<u><b>131,270</b></u>	<u><b>100,244</b></u>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 \$	2020 \$
<b>NOTE 8. CASH AND CASH EQUIVALENTS (continued)</b>		
<b>(b) Reconciliation of net surplus (loss) after tax to net cash flows from operations</b>		
Operating surplus (loss)	112,915	(419,715)
<i>Adjustment for:</i>		40,871
Depreciation	68,763	-
Proceeds from sale of asset	-	41,707
<i>Movement in current assets and liabilities:</i>		4,011
Decrease /(Increase) in trade and other receivables	94,590	73,975
Decrease /(Increase) in other assets	(733)	(697)
Increase/(Decrease) in trade and other payables		(5,921)
	(249,435)	<b>(265,769)</b>
Increase/(Decrease) in other liabilities	44,745	
Increase/(Decrease) in provisions	(39,818)	
<b>Net cash flows generated from operating activities</b>	<b>31,027</b>	

**NOTE 9. PROPERTY, PLANT AND EQUIPMENT**

Administration and council buildings on land under licence at cost	561,042	561,042
Less: Accumulated depreciation	(460,957)	(444,258)
	<b>100,085</b>	<b>116,784</b>
Expendable plant and equipment at cost	1,266,915	1,266,915
Less: Accumulated depreciation	(1,211,477)	(1,159,414)
	<b>55,438</b>	<b>107,501</b>
Leasehold improvements at cost	232,113	232,113
Less: Accumulated depreciation	(232,113)	(232,113)
	-	-
	<b>155,523</b>	<b>224,285</b>

**Movement in Property, Plant and Equipment**

	Administration	Plant and	Leasehold	
	& Council	Equipment	Improvement	Total
	Building		s	
	\$	\$	\$	\$
Balance at the beginning of the year	116,784	107,501	-	224,285
Additions	-	-	-	-
Depreciation expense	(16,699)	(52,064)	-	(68,763)
Carrying amount at the end of year	<b>100,085</b>	<b>55,437</b>	-	<b>155,522</b>



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	\$	\$
<b>NOTE 10. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Trade payables	74,384	427,913
Accrued expense	-	99,724
Other payables	9,932	6,114
	<u>84,316</u>	<u>533,751</u>
<b>Non-Current</b>		
Trade payables	200,000	-
	<u>200,000</u>	<u>-</u>

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

**NOTE 11. PROVISIONS**

**Current**

Provision for annual leave	10,956	46,225
Provision for long service leave	-	4,198
	<u>10,956</u>	<u>50,423</u>

**Non-Current**

Provision for long service leave	-	351
	-	351

**NOTE 12. RELATED PARTY DISCLOSURE**

**(a) Details of key management personnel**

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

<b>Names</b>	<b>Qualification/Experience</b>
Kathleen Harvey	Geologist/Researcher
Ben Litchfield	Auctioneer
Michael Harriden	Rural Retail Manager
Toni Rolls	Executive Manager
Rick Jones	Retired
Brett Kenworthy	Company Director

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**(b) Remuneration of Directors**

There was no remuneration of Directors in the period.

**NOTE 13. EVENTS AFTER THE REPORTING**

**PERIOD** Novel Coronavirus (COVID-19)

The COVID-19 outbreak in Australia is expected to have an impact on the financial performance and liquidity of the Society in 2022. As at the time of completion of the 2021 Financial Statements, the Society is not yet in a position to fully assess the severity of the impact.

The Society continues to monitor the financial and non-financial impacts and has measures in place to manage the position as the situation evolves and impacts become clearer.

No other or circumstance has arisen since 31 March 2021 that has significantly affect the Society's operations, the results of those operations, or the Society's state of affairs in future financial years.

**NOTE 14. CONTINGENT LIABILITIES**

The Society had no contingent liabilities as at 31 March 2021 and 31 March 2020.

**NOTE 15. COMMITMENTS**

The Society had no commitments as at 31 March 2021 and 31 March 2020.

**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