

ANNUAL REPORT

2019/2020

Royal Agricultural
Society of NSW



Royal Agricultural Society of NSW

CONTENTS

- 3 President's Review
- 4 RAS Highlights of 2019/20
- 10 RAS Board Members and Councillors
- 12 RAS Executive Management Team
- 13 RAS Council and Office Listing
- 14 Corporate Governance Statement
- 15 Financial Reports

OUR VISION, MISSION AND VALUES

VISION

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

MISSION

To forge the future of agriculture by:

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

VALUES

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



PRESIDENT'S REVIEW



here and the financial pages are not quite what we hoped for, we are confident in our future and building up for remarkable years to come, particularly as we mark our 200 years anniversary in 2022.

In a brief snapshot of the period in which we were open for business, October 2019 – March 2020, we awarded Sydney's Best Spring Garden, received NESA endorsement as a provider of Professional Development at category 2 - Proficient Teacher level, a further three years was added to the HSC marking contract at Sydney Showground, GIANTS Stadium became a home for interstate AFL teams at the beginning of the COVID-19 crisis, the RAS Foundation awarded over \$400,000 in scholarships and \$100,000 in grants, our most successful ever wine sale was held, and 27 RAS Show medals were presented to regional Show volunteers.

I would like to pay tribute to the leadership of my predecessor, Robert Ryan OAM, and thank him for steering Council and Board through the initial uncertain stages of COVID-19. Robert was elected to Council in 1996 and served as President from 2014 until his retirement in June 2020. During his tenure, the RAS grew as a force in competitions and education and established a reputation for safeguarding the agricultural industry and nurturing the next generation. Our reputation has stood us in good stead during the pandemic and ensured exhibitors, competitors, and educators have turned their attention back to us as things hopefully begin to return to pre-COVID times.

I also want to thank Council, the dedicated and determined staff along with the many volunteers who work collaboratively to ensure the ongoing development and success of the RAS, and of course, to Members and key stakeholders, thank you for your continued support of the RAS.

Michael Millner, President
Royal Agricultural Society of NSW

I am delighted to present my first Annual Report as President of the Royal Agricultural Society of NSW (RAS). It has been a difficult year with plenty of disappointment. I take tremendous pride in the work carried out by the RAS and the resilience and spirit displayed by all involved.

The RAS was not alone in standing still and shutting down for a period in 2020, however, the cancellation of Australia's largest annual ticketed event, the Sydney Royal Easter Show, had far-reaching consequences and was felt by many both inside and outside of the organisation. The two major lines of our business are the Sydney Royal Easter Show and the year-round operation of Sydney Showground, and the forced closure of the Show and subsequently most events at the Showground has had enormous impact.

However, the first months of our financial year had been busy as this Report will reveal. Our Education team had some successes, the Wine, Dairy and Fine Food competitions had begun and the RAS Foundation worked hard supporting regional and rural communities.

This Annual Report, covering 2019/20, details the role each division of the RAS plays and tells the story of our achievements in a most unusual year for those living not only within the agricultural community but right across the globe. Our community, that of regional and rural NSW, is no stranger to adversity and battling Mother Nature but this past twelve months has seen the strength of the world tested and the experience we have of staying strong and fighting back has served us well. Although numbers may look small

The RAS was not alone in standing still and shutting down for a period in 2020, however, the cancellation of Australia's largest annual ticketed event, the Sydney Royal Easter Show, had far-reaching consequences and was felt by many both inside and outside of the organisation. The two major lines of our business are the Sydney Royal Easter Show and the year-round operation of Sydney Showground, and the forced closure of the Show and subsequently most events at the Showground has had enormous impact.

ROYAL AGRICULTURAL SOCIETY OF NSW

Australian agriculture accounts for 58 percent of Australian land use, and we have one of the largest fishing areas in the world – larger than mainland Australia. The RAS has a vision for a community that understands and values sustainable Australian agriculture, including aquaculture, and works to promote, foster and encourage its development – quite a mammoth task when you look at the size and scope of the sector.

EDUCATION

To achieve our vision, the RAS develops youth and education programs under the Agriculture Development (AG DEV) banner. During the past year, the AG DEV team gained Category 2 New South Wales Education Standards Authority (NESA) accreditation for our Agricultural Education programs, the highest category. This is one which recognises our Transforming Milk into Camembert, and Agriculture and Food in the Classroom for Stages 2 & 3 and 4 & 5 courses as addressing the Australian Professional Standards for proficient teacher training.

The team also developed a Junior Tomato Time resource for Stage 3, to be added to the Knowing & Growing Program – a teacher training program run in partnership with the Primary Industries Education Foundation Australia (PIEFA) and the Department of Primary Industries (DPI). COVID-19 kept students at home and moved them online, so activities from RAS Jnr magazine were sent via social media channels at the beginning of lockdown to assist parents with fun and educational home schooling activities. The pandemic also led to thinking outside the box, and so Ag in a Box was developed as a concept to assist teachers by providing a one-stop-shop of elements of agriculture that will enable students to get their hands dirty as they grow and investigate concepts relating to agriculture.

COMPETITION

Sydney Royal competitions halted during the year, with the exception of the inaugural Sydney Spring Garden Competition, and the Sydney Royal Cheese & Dairy Produce Show. The Garden Competition, open

to suburban gardens across Sydney – within a 34km radius in all directions from Parramatta GPO, attracted 15 entries, whittled down to ten finalists by judges Cecily Rogers OAM and Jeanette Chown. Two days of on-site judging at Drummoyne, Ryde, Cremorne, Mascot, Pagewood, Kensington, Wetherill Park, Fairfield Heights, Tennyson Point, and Greystanes resulted in Tennyson Point being named as the home of Sydney's best Spring garden.

The Sydney Royal Cheese & Dairy Produce Show received 839 exhibits from 96 exhibitors, with Berrys Creek Gourmet Cheese Riverine Blue, the coveted Champion Cheese of Show. Berrys Creek Gourmet Cheese claimed 12 Champion accolades including the 2020 Champion Cheese of Show and Champion Sheep, Goat, Buffalo, or Camel Milk Product, for its Riverine Blue and Champion Specialty Cheese for its Bellingham Blue, which also made it onto the Australian Cheeseboard Perpetual Trophy.

All President's Medal finalists were selected and the site tours were conducted, with the winner ultimately decided, however, it was determined the announcement would be held over until 2021.

The Sydney Royal Wine Show was much anticipated and raised \$66,262 in funding for wine scholarships including Sydney Royal Wine Assessment Scholarships going to Chrissie-Anne Smith and Nicole Wilson, and Sydney Royal Wine Study Scholarships going to Jordan Pickles and Billy Xynas.

HERITAGE

Recording 88.25 hours of research, answering 130 requests for help, the Heritage Centre remained busy all year, from a deep dive into drought, bushfires, and pandemics to obituaries, family history projects, and competition histories. Working behind-the-scenes on the 2022 Bicentenary Celebrations and providing research assistance with the bicentenary book, the Heritage team also found time to document the cancellation of the 2020 Show – including collecting ticket samples, marketing campaigns, contracts, draft publications, and social media posts. A survey of all staff was conducted, capturing the mood and preserving the moment, whilst media reports, articles, and social media posts were also catalogued for future generations to assess. The Heritage team provided support for all Show cancellation communication, ensuring historical details were accurate and helped to tell the story of the longevity and resilience of the RAS.



SYDNEY ROYAL EASTER SHOW

On the 13th March 2020, the unbelievable happened – the 2020 Sydney Royal Easter Show was cancelled 21 days before it was due to open. The decision not to go ahead was one that was not taken lightly and followed increased public concern and the Prime Minister’s direction that mass gatherings could not take place. The impact on staff, volunteers, Council, Members, exhibitors, competitors, visitors and sponsors was immense and far-reaching.

The easiest way to measure and report the emotion was via social media, with comments including:

“So sorry for all those who put their whole lives into the Show... Hard to believe but know everybody feels the same... I am so sorry you have had to cancel such a wonderful event... Missing the Show so much, see you next year... My heart is breaking for the RAS family right now, you’ve all worked so hard but I understand safety must come first... As a member I am terribly disappointed, as an event organiser I am terribly sympathetic, and as a huge supporter of all things regional I applaud your decision... So sorry to see it cancelled, very hard for everyone involved in organising this wonderful event, thank you for making the tough decision... Thoughts go out to all Show people that earn a living from Show and do so much preparation,

would have been a hard decision... Despite all the sadness and disappointment isn’t this a good thing with regards to what’s happening worldwide, better to be safe”.

Media reports included the words ‘coronavirus casualty’, ‘grim’, ‘uncertain’ and ‘threat’ whilst overusing ‘disappointment’, ‘Spanish Flu’ and ‘fears’. The media focus on the cultural value of the Show and its impact on the NSW economy was a tool for emphasising the seriousness of the pandemic and the reason for the closure of the Show. In total, 2,984 media reports mentioned the Show over the two days following the cancellation announcement. Amid pandemic talk, it was largely forgotten the Show did not go on from 1942-46 when the showground was completely taken over by the military. The RAS faltered but did not stumble and came back strongly with the 1947 Show attracting 1,232,413 attendees and setting a record that held until the first Show at Sydney Olympic Park in 1998 with 1,262,339 attendees.

As the pandemic took the world into a new online space for working and communicating so too the Show ventured into the digital age and hosted an online marketplace. Over 130 commercial exhibitors were happy to connect with consumers via computers as the pavilions went online and sold their wares to those who would have come to the Show. The RASF Ag Bag was a hit online too, selling all 3,000 bags and posting or delivering them to an incredibly generous and grateful public. Special mention to Carmel Dyer for purchasing 1000 bags and donating them to frontline workers in nursing homes during the height of the Sydney lockdown.

EASTER SHOW CANCELLED



THE 2020 SYDNEY ROYAL EASTER SHOW HAS BEEN CANCELLED



MEDIA RELEASE

Friday, 13 March 2020

2020 Sydney Royal Easter Show Cancelled

Due to increased public concern, to protect the health of stakeholders and visitors, and in response to the Prime Minister and COAG’s direction that any organised mass gathering over 500 people should be cancelled, the 2020 Sydney Royal Easter Show is cancelled.

President of the Royal Agricultural Society of NSW Robert Ryan OAM said it was distressing and disappointing to cancel the Show for 2020.



SHOW WON'T GO ON

ANNUAL EASTER EVENT ANOTHER CORONAVIRUS CASUALTY

CAMPBELL GELLIE

FOR the first time in more than a century the Sydney Royal Easter Show has been cancelled.

The Royal Agricultural Society (RAS) of NSW yesterday announced the 2020 event would be cancelled in response to the growing coronavirus pandemic and Prime Minister Scott Morrison’s advice against organised gatherings of more than 500 people.

It is the first time the show has been cancelled since the 1919 Spanish flu pandemic, which killed 50 million people globally.

Over 900,000 people attended the Easter Show last year from April 12 to 23 at Sydney Showground in Sydney Olympic Park.

Royal Agricultural Society of NSW chief executive Brock Gilmour said the cancellation

Show 2020 will not go ahead. “We are in the process of implementing a number of measures to deal with priority concerns including refunding

or holding over competition fees, refunding tickets purchased by the general public and unwinding contracts with hundreds of suppliers.

“This process will take weeks and we will work hard to keep our stakeholders informed as we work through the detail.”

He said the decision would cost the event tens of millions of dollars and but confirmed the show society would work with the NSW Government to “soften the financial hit”.

“The Royal Easter Show survived the 1919 Spanish flu pandemic, the Great Depression, World War II, and we will survive coronavirus and



Large crowds at the Royal Easter Show last year at Sydney Olympic Park.





SYDNEY SHOWGROUND

Sydney Showground had a big year planned with sporting events, international concert acts, conventions and exhibitions booked in however COVID-19 put a halt to everything in March 2020. The period from October 2019 – March 2020 had been incredibly busy with events including a world travel expo and a pregnancy & baby expo, international music acts in concert including The Chemical Brothers, Festival X, RnB Friday's featuring Janet Jackson, and Fat Boy Slim.

Just prior to the world entering lockdown Sydney Showground staged the opening celebration of the ICC Women's World Cup and hosted five matches including the day one opener between Australia and India and two double-headers, allowing the hard work of all grounds staff to be showcased thanks to the incredible pitch conditions and excellent standard of the turf.

GIANTS Stadium within Sydney Showground hosted AFL matches for Melbourne teams once the state of Victoria went into lockdown and their AFL teams were forced interstate, and was one of the first stadiums across Australia to welcome fans back following the easing of restrictions into sporting stadiums.

Sydney Showground was the first venue in NSW to publicly list a COVID event support initiative for clients, providing assistance with running events whilst promoting the 30,000 SQM of premium clear span space available to ensure social distancing requirements.

Whilst business as usual was not possible, the investment in technology continued, with an upgrade to the stadium Wi-Fi, new LED signage, and the launch of a new 360-degree virtual reality tool.

The digital tool provides a unique perspective for clients, providing a one-stop-shop for all photos, 360-degree videos, and fact sheets whilst also offering a dynamic virtual reality tour of the entire site.

A new three-year deal was signed with the NSW Education Standards Authority for HSC marking, continuing an arrangement that dates back to when Sydney Showground was in its old home at Moore Park.

Sydney Showground won Best Banquet & Catering in the Meeting & Events Australia (MEA) 2019 NSW State Awards, picking up the award for the fourth year in a row. A new food and beverage menu was also launched showcasing many Sydney Royal products whilst also promoting the incredible local produce available in NSW and the close working relationships that have been forged with award-winning producers. The Sydney Royal Charcuterie Board has proven to be an incredibly popular choice.

ROYAL AGRICULTURAL SOCIETY OF NSW FOUNDATION

The Royal Agricultural Society of NSW Foundation (RASf), created in 2007, has a mission to help build sustainable and resilient rural and regional communities through education and community development.

Together with generous donations from our supporters, the RASf has invested over \$5.6 million into country NSW through a range of targeted grants and scholarships. This includes support of over 550 rural scholarship students to reach their educational dreams and the awarding of vital community building grants in 73 communities.

In the year ending September 30 2020, the RASf awarded a combined total of 76 Rural, Wine and JB Fairfax Scholarships to the value of \$402,000, and distributed \$101,500 in Community Futures Grants for projects across NSW.

Helping students, particularly in such desperate times impacted by drought and bushfires, the RASf supported 24 young men and women undertaking studies in the field of Medicine, a remarkable statistic of 33 percent of our scholars responding to the desperate need our regional and rural communities have for doctors, nurses and medical specialists. Others are studying Education, Agricultural Science, Wool Classing, Carpentry, Mechanical Technology, Veterinary Science, and Business amongst other subjects.

Nationally, the JB Fairfax Award for Rural and Regional Journalism went to Maisie Adams from Staghorn Flat in Victoria, whilst the Sydney Royal Wine Scholarship awards went to Chrissie-Anne Smith (NSW), Nicole Wilson (NSW), Jordan Pickles (SA) and Billy Xynas (VIC).

Community Futures Grants went to Carcoar Showgrounds, Deniliquin Showground, Drake Community Workshop, Glen Innes

Showground, Nyngan Showground, Oaklands/Corowa CWA, Tenterfield Showground, and White Cliffs Gymkhana Club. The funding has assisted with running rails, kitchen upgrades, sun awnings, accessibility ramps, workshop tools and tables/seating. The community projects supported by the RASf deliver economic benefits to their communities as well as fostering community spirit and enhanced social outcomes.

Due to the cancellation of the 2020 Sydney Royal Easter Show the RASf did not have a community kitchen to share with recipients of the RASf Community Kitchen Grant. However, working with Good360 the RASf was able to award a combination of either cash and/or whitegoods with a total value of \$22,500 to Parkes Show Society, Walgett Show Society, Wauchope Show Society, Moree Show Society, and Cootamundra Show Society.

Again with Good360, the RASf distributed over \$280,000 of new kitchen goods and toys to rural and regional Show Societies and community halls. In all, 23 groups received a share of goods from the RASf Good360 Kitchen Goods and Christmas Toy Distribution in November 2019, working with Tamworth Show Society as the delivery point and the New England/northern NSW region as the focus. This project provides some much needed emotional support as well as material goods, serving as a reminder to regional and rural communities of their significance and the role the RASf plays in helping with their development.

Engaging Ernst & Young to carry out a Social Return of Investment (SROI) Study, it was determined that every \$1 of RASf funding delivers an estimated \$2.70 of community benefit. Whilst measuring in dollar values is important, particularly as a tool to attract donors and supporters, the study is also helping the RASf engage and communicate better and provide a more complete picture of the impact the programs and projects deliver.

RAS BOARD MEMBERS

RAS COUNCILLORS

As at 30 September 2020

As at 30 September 2020



Michael J Millner
*President**



Brock E Gilmour,
*Chief Executive**



Geoff W Bell



John C Bennett OAM*



Mr David M Davidson*



Alison M Kirk**



Denise E Ovens*



Grahame N Sharpe,
*Treasurer**



Sam J Walker



Greg D Andrews*



James Angus



Geoff Bell



James D W Bell



Robyn Clubb AM



Geoff R Cochrane



Stephen G Dadd



Stuart J B Davies*



Sharon L Hannigan



Elizabeth A Hastings



Evan E Hughes*



Gary R Johnston



Lyndey S Milan OAM



Marianne Paynter



Rowena L Petrie



Alastair J Rayner



Hunter B White OAM



Kate E Wickson*



Brian J Wilson



Claudia A Wythes



John Bennett OAM



Glen Best*



Lachlan B Bowtell*



John G Bryson*



Joseph Byrnes



Christopher P Carter



Ellen M Downes



Sally P Evans*



John E Fairley



Janie M Forrest



Warwick B Giblin



Alison J Hamilton



Kerry Little



Adam W Lucas*



Michael A MacCue



Duncan F Macintyre



Geoffrey W Mason*



Yvette G McKenzie



Gary R Reid



Kathy Reidy



Alison A Renwick



Mark A Schembri*



Susan R Wakeford



Greg R Watson*



Robert A Zammit

+Vice-President
*Committee Chair

RAS EXECUTIVE MANAGEMENT TEAM

As at 30 September 2020



BROCK GILMOUR
Chief Executive

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



RONALD LEE
General Manager, Finance & Administration

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



MURRAY WILTON
General Manager, Agriculture & Sydney Royal Easter Show

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



PETER THORPE
General Manager, Sydney Showground

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

RAS COUNCIL

As at 30 September 2020

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

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

HONORARY OFFICE BEARERS

Patron

Her Excellency the Honourable Margaret Beazley AO QC
Governor of New South Wales

Vice Patron

Mr G B Dudley OAM

OFFICE HOLDERS

President

Mr M J Millner

Vice Presidents

Mr J C Bennett OAM
Ms A M Kirk
Dr M A Schembri

Treasurer

Mr G N Sharpe

BOARD MEMBERS

Mr M J Millner
Mr G W Bell
Mr J C Bennett OAM

Mr D M Davidson
Ms A M Kirk
Ms D E Ovens

Mr G N Sharpe
Mr S J Walker
Mr B E Gilmore, Chief Executive

OFFICE BEARERS

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

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

Ms R L Petrie
Mr A J Rayner
Mr R G Reid
Mrs K Reidy
Ms A A Renwick
Dr M A Schembri
Mr G N Sharpe
Mrs S R Wakeford
Mr S J Walker
Mr G R Watson
Mr H B White OAM
Mrs K E Wickson
Mr B J Wilson
Ms C A Wythes
Dr R A Zammit

Chief Executive

Mr B E Gilmore

General Manager Finance & Administration

Mr R Lee

Auditors

Ernst & Young

CORPORATE GOVERNANCE STATEMENT

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

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

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

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2020

| | Note | 2020 (\$'000's) | 2019 (\$'000's) |
|--|------|--------------------|--------------------|
| Revenue | | | |
| Members' Subscriptions | | 11 | 1,399 |
| Ground Operations, Building & Space Rentals | | 14,083 | 45,503 |
| Gate Receipts | | - | 19,610 |
| Sponsorships & Donations | | 610 | 4,876 |
| Entry Fees & Commissions | | 739 | 3,719 |
| Interest | | 141 | 436 |
| Other Revenue | 16 | 5,256 | 4,843 |
| Total Revenue | | 20,840 | 80,386 |
| Expenses | | | |
| Sydney Royal Easter Show | | 6,880 | 18,649 |
| Operations | | 16,181 | 39,984 |
| Administration | | 8,011 | 12,240 |
| Depreciation and Amortisation | 12 | 2,035 | 1,766 |
| Loss on Sale of Non-Current Assets | 4 | 2 | 2 |
| Interest Expenses | | 44 | - |
| Donations to the RAS of NSW Rural Fund | | 9 | 560 |
| Total Expenses | | 33,162 | 73,201 |
| (Deficit) / Surplus Before Tax | | (12,322) | 7,185 |
| Income Tax Expense | | - | - |
| (Deficit) / Surplus After Tax | | (12,322) | 7,185 |
| Other Comprehensive Income (Net of Tax) | | - | - |
| Total Comprehensive Income/(Loss) | | (12,322) | 7,185 |

The accompanying notes form part of this financial report.

STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

| | Note | 2020 (\$'000's) | 2019 (\$'000's) |
|--|------|--------------------|--------------------|
| CURRENT ASSETS | | | |
| Cash – Bank and on Hand | | 2,709 | 5,298 |
| Cash – Reserves, Trust & Endowment Funds | | 11,455 | 11,353 |
| Trade and Other Receivables | 5 | 1,278 | 4,928 |
| Inventories | 6 | 233 | 281 |
| Prepayments | 7 | 881 | 1,075 |
| TOTAL CURRENT ASSETS | | 16,556 | 22,935 |
| NON-CURRENT ASSETS | | | |
| Trade and Other Receivables | 11 | - | 1,346 |
| Property, Plant and Equipment | 12 | 22,811 | 22,877 |
| Investment | 13 | - | 4,984 |
| TOTAL NON-CURRENT ASSETS | | 22,811 | 29,207 |
| TOTAL ASSETS | | 39,367 | 52,142 |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 8 | 2,350 | 5,013 |
| Provisions | 9 | 1,781 | 2,258 |
| Contract Liabilities | 10 | 5,851 | 7,363 |
| TOTAL CURRENT LIABILITIES | | 9,982 | 14,634 |
| NON-CURRENT LIABILITIES | | | |
| Loan Payable | | 5,429 | - |
| Provisions | 14 | 359 | 357 |
| Contract Liabilities | 15 | 528 | 1,760 |
| TOTAL NON-CURRENT LIABILITIES | | 6,316 | 2,117 |
| TOTAL LIABILITIES | | 16,298 | 16,751 |
| NET ASSETS | | 23,069 | 35,391 |
| EQUITY | | | |
| Retained Earnings | | 11,614 | 24,038 |
| SRES Interruption Reserve | | 9,856 | 9,751 |
| Maintenance Reserve | | 655 | 649 |
| Trust & Endowment Funds | | 944 | 953 |
| TOTAL EQUITY | | 23,069 | 35,391 |

The accompanying notes form part of this financial report.

STATEMENT OF CASH FLOWS

For the year ended 30 September 2020

| | 2020 (\$'000's) | 2019 (\$'000's) |
|--|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from Customers & Members | 24,729 | 80,693 |
| Payments to Suppliers & Employees | (37,337) | (73,937) |
| Interest Received | 171 | 444 |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | (12,437) | 7,200 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant & Equipment | (2,029) | (4,791) |
| Investment | 4,988 | - |
| (Payments)/Proceeds from Bequests and Endowments | (9) | 1 |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES | 2,950 | (4,790) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Advance from Major Repairs Fund | 7,000 | - |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES | 7,000 | - |
| NET INCREASE/(DECREASE) IN CASH ASSETS | (2,487) | 2,410 |
| Add opening Cash Assets Brought Forward | 16,651 | 14,241 |
| CLOSING CASH ASSETS CARRIED FORWARD | 14,164 | 16,651 |
| RECONCILIATION WITH OPERATING EARNINGS | | |
| Total Comprehensive Income/(Loss) | (12,322) | 7,185 |
| Depreciation - Property, Plant & Equipment | 2,035 | 1,766 |
| Loss on Disposal of Property, Plant & Equipment | 2 | 2 |
| Unrealised Gain on Investment | - | (50) |
| CHANGE IN ASSETS AND LIABILITIES | | |
| Decrease in Receivables | 4,996 | 3,412 |
| Decrease in Inventories | 48 | 54 |
| Decrease in Prepayments | 194 | 30 |
| (Decrease)/Increase in Payables | (3,916) | 2,581 |
| Decrease in Contract Liabilities | (2,999) | (8,025) |
| (Decrease)/Increase in Provisions | (475) | 245 |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | (12,437) | 7,200 |
| CASH ASSETS COMPRISE | | |
| Cash – Bank and on Hand | 2,709 | 5,298 |
| Cash – Reserves, Trust and Endowment Funds | 11,455 | 11,353 |
| | 14,164 | 16,651 |

The accompanying notes form part of this financial report.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2020

| | Retained Earnings (\$'000's) | SRES Interruption Reserve (\$'000's) | Maintenance Reserve (\$'000's) | Trust & Endowment Funds (\$'000's) | Total Equity (\$'000's) |
|---|---------------------------------|---|-----------------------------------|---------------------------------------|----------------------------|
| As at 30 September 2018 | 17,595 | 9,474 | 630 | 506 | 28,205 |
| Bequests & Endowments | (446) | - | - | 447 | 1 |
| SRES Interruption Reserve | (277) | 277 | - | - | - |
| Maintenance Reserve | (19) | - | 19 | - | - |
| Total Comprehensive Income for the Year | 7,185 | - | - | - | 7,185 |
| As at 30 September 2019 | 24,038 | 9,751 | 649 | 953 | 35,391 |
| Bequests & Endowments | 9 | - | - | (9) | - |
| SRES Interruption Reserve | (105) | 105 | - | - | - |
| Maintenance Reserve | (6) | - | 6 | - | - |
| Total Comprehensive Loss for the Year | (12,322) | - | - | - | (12,322) |
| As at 30 September 2020 | 11,614 | 9,856 | 655 | 944 | 23,069 |

The accompanying notes form part of this financial report.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 September 2020

1. INCORPORATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

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

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

(b) New Accounting Standards and Interpretations

(i) Changes in accounting policy and disclosures

The Society adopted AASB 15 Revenue from Contracts with Customers for the first time from 1 October 2019. The Standard requires revenue is measured based on the consideration specified in contracts with customers. It also requires revenue recognised from contracts with customers to be disclosed separately from other sources of revenue, unless presented separately in the statement of comprehensive income. RAS key revenue streams that involve contracts with customers include members' subscriptions, ground operations, building and space rentals, sponsorships, donations, competition entry fees and commissions.

The adoption of AASB 15 has not had a significant impact on the Society's financial statements, and there are no retrospective adjustments.

The Society also adopted AASB 16 Leases for the first time from 1 October 2019. The Standard requires certain off-balance sheet leases to be accounted for as a right-of-use (ROU) asset and a lease liability on the balance sheet. Lease expenses will shift from operating expenses to financing costs.

The key lease contract RAS has is the Sydney Showground lease. It entered into a lease agreement with Sydney Olympic Park Authority (SOPA) in March 1998 for 99 years with an option to extend for another 99 years. Rent is payable to SOPA in the form of Base Rent and Turnover Rent. The amounts payable is based on defined revenue streams from Sydney Royal Easter Show or Sydney Showground operations, and are therefore vary from time to time, neither based on an index nor a rate for the duration of the lease term. There is no reliable measurement that can be used to determine the value of the ROU asset or the lease liability. Base Rent and Turnover Rent will continue to be recognised as an operating expense in the Statement of Comprehensive Income.

Except for the above changes, the accounting policies adopted are consistent with those of the previous financial year.

(ii) Accounting standards and interpretations issued but not yet effective
Certain Australian Accounting Standards, amendments to standards and interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Society for the annual reporting period ended 30 September 2020.

The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the RAS).

(c) Cash At Bank and On Hand

For the purposes of the Cash Flow Statement, cash includes cash on hand, in banks, in cash funds and commercial bills readily converted to cash within 3 months or less.

(d) Investments

Investments and financial assets in the scope of AASB 9 Financial Instruments are categorised as either financial assets at fair value through profit or loss or at amortised cost. The classification depends on the Society's business model in managing these financial assets and the contractual cash flow characteristics of the financial assets.

Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

(i) Recognition and de-recognition

All regular way purchases and sales of financial assets are recognised on the trade date i.e., the date that the Society commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 September 2020 (continued)

place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Society has the positive intention and ability to hold to maturity. These financial assets are measured at amortised cost under AASB 9 as they are held under a business model to collect contractual cash flows, and these cash flows consist solely of payments of principal and interest. Investments intended to be held for an undefined period are not included in this classification.

Held-to-maturity financial assets are initially measured at fair value plus any applicable transaction costs, and subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts.

(e) Trade and Other Receivables

Trade receivables are classified as financial assets initially recognised at fair value plus any applicable transaction costs, and subsequently at amortised cost using the effective interest method.

AASB 9 also requires the Society to account for expected credit losses when trade receivables are first recognised, and the changes in expected credit losses at each reporting date if the credit risk has changed since initial recognition. A significant amount of the Society's trade receivables are related to future events and are deferred on the Statement of Financial Position. As the contract obligations have not been provided, these receivables do not fall within the scope of impairment testing under AASB 9. Trade receivables in relation to current and past events are due within two weeks. Due to the short-term nature of these receivables, the carrying value of trade receivables less expected credit losses provision is considered to approximate fair value.

The recoverability of trade receivables is reviewed on an ongoing basis. Trade receivables are written off when there is no reasonable expectation of recovering the contractual cash flows, and the loss is recognised in the Statement of Comprehensive Income.

(f) Inventories

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

(g) Property, Plant and Equipment

Cost

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

Depreciation

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

| | 2020 | 2019 |
|-----------------------------|-----------------|-----------------|
| Buildings | 50 years | 50 years |
| Site Improvements | 10 to 40 years | 10 to 40 years |
| Plant & Equipment | 2 to 10 years | 2 to 10 years |
| Computer & Office Equipment | 2 to 10 years | 2 to 10 years |
| Motor Vehicles | 5 years | 5 years |
| Heritage Assets | Not depreciated | Not depreciated |

Impairment

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

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

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

(h) Trade and Other Payables

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

(i) Revenue Recognition

Sydney Royal Easter Show (SRES) operation revenue, including ground operations, rentals, entry fees and commissions, is recognised over the period in which the services are rendered or at the time the event occurs.

Sydney Showground revenue, including ground operation, rentals and commissions, is recognised over the period in which the services are rendered or at the time the event occurs.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 September 2020 (continued)

Membership revenue is recognised over the period in which the services are rendered.

Gate receipts and sponsorship revenues are recognised at the time the event occurs or over the period in which the services provided.

Donation revenue is recognised when performance obligations, if existed, are satisfied.

Interest revenue is recognised on an accrual basis using the effective interest method.

Grant revenue is recognised when performance obligation to provide goods or services is satisfied.

JobKeeper revenue is recognised when all eligibility criteria are satisfied and employees are paid.

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

(j) Employee Entitlements

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

The employer superannuation contributions for permanent staff are paid to ANZ Smart Choice Employer Super or another fund chosen by the employee. Contributions for other staff are paid to a number of industry superannuation funds.

(k) Leased Assets

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

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

In June 2004 the Board of the RAS approved the creation of the SRES Interruption Reserve. The reserve is available for use in the case of serious interruptions to revenue from the Sydney Royal Easter Show and will ensure a continuation of business without a reliance on borrowing or operating funds.

In September 2011 the Board of the RAS approved the creation of the Maintenance Reserve. The reserve is available for use in the

maintenance and development of the Showground site outside the Major Repair Fund program.

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

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

(m) Rounding

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

(n) Income Tax

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

(o) Previous Period Comparatives

The financial statements provide comparative information in respect of the previous period, ended 30 September 2019. For comparative purposes, certain amounts in the comparative period have been restated.

3. MAJOR REPAIR FUND

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

The RAS paid a total of \$738,706 (2019: \$3,230,406) to SOPA during the financial year. This amount was contributed to the Major Repair Fund based on the terms and conditions of the lease agreement. RAS utilised \$4,604,690 (2019: \$3,364,578) on various approved major repair projects.

Due to social restrictions and public health orders brought on by COVID-19, the 2020 SRES was called off on 13 March 2020, 3 weeks out from the scheduled opening day; most Sydney Showground events were also deferred or cancelled. The RAS financial position was severely impacted by the cancellation of these events. A temporary relief was granted by SOPA for RAS in meeting its \$3.0 million annual payment, furthermore, a \$7.0 million loan from MRF was provided interest free to RAS, repayable over 5 years. The RAS will continue to carry out the Major Repair Works Program as agreed with SOPA.

The balance of the Major Repair Fund at 30 September 2020 was \$7,308,342 (2019: \$17,987,763). This cash balance is held by SOPA for the purpose of significant repairs and structural alterations in respect of the Sydney Showground.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 September 2020 (continued)

| | 2020 (\$'000's) | 2019 (\$'000's) |
|---|--------------------|--------------------|
| 4. DISPOSAL OF ASSETS | | |
| Proceeds from the disposal of assets | - | - |
| Written down cost of assets | (2) | (2) |
| Loss on disposal of assets | (2) | (2) |
| 5. TRADE AND OTHER RECEIVABLES (CURRENT) | | |
| Trade Debtors | 1,270 | 4,936 |
| Less Provision for Expected Credit Loss | - | (8) |
| GST Receivable (Net) | 8 | - |
| | 1,278 | 4,928 |
| Movement in Provision for Expected Credit Loss | | |
| Balance at beginning of year | (8) | (170) |
| Movement during the year | 8 | 162 |
| Balance at the end of the year | - | (8) |
| 6. INVENTORIES (CURRENT) | | |
| Stock at cost | 233 | 281 |
| 7. PREPAYMENTS (CURRENT) | | |
| Prepaid Insurance | - | 225 |
| Prepaid Other | 881 | 850 |
| | 881 | 1,075 |
| 8. TRADE AND OTHER PAYABLES (CURRENT) | | |
| Trade Creditors | 440 | 2,187 |
| GST Payable (Net) | - | 94 |
| Loans Payable | 1,280 | - |
| Accruals | 535 | 2,396 |
| Other | 95 | 336 |
| | 2,350 | 5,013 |
| 9. PROVISIONS (CURRENT) | | |
| Long Service Leave | 1,081 | 1,102 |
| Annual Leave | 692 | 1,148 |
| Public Liability Claims | 8 | 8 |
| | 1,781 | 2,258 |

| | 2020 (\$'000's) | 2019 (\$'000's) |
|---|--------------------|--------------------|
| 10. CONTRACT LIABILITIES (CURRENT) | | |
| Prepaid Membership Fees | 1,022 | 431 |
| Deferred Exhibition Rent, Bonds and Disbursements | 2,442 | 6,585 |
| Other Deferred Revenue / Contribution | 2,387 | 347 |
| | 5,851 | 7,363 |
| 11. TRADE & OTHER RECEIVABLES (NON-CURRENT) | | |
| Trade Debtors | - | 1,346 |
| 12. PROPERTY, PLANT AND EQUIPMENT | | |
| Capital work in progress | 2,128 | 901 |
| Administration Building, Sydney Olympic Park | 6,440 | 6,440 |
| Less Accumulated Depreciation | (2,833) | (2,704) |
| | 3,607 | 3,736 |
| Site Improvements | 14,724 | 14,713 |
| Less Accumulated Depreciation | (3,610) | (3,156) |
| | 11,114 | 11,557 |
| Plant and Equipment | 15,614 | 16,109 |
| Less Accumulated Depreciation | (12,856) | (12,959) |
| | 2,758 | 3,150 |
| Computer & Office Equipment | 5,131 | 4,895 |
| Less Accumulated Depreciation | (2,129) | (1,622) |
| | 3,002 | 3,273 |
| Motor Vehicles | 830 | 830 |
| Less Accumulated Depreciation | (710) | (652) |
| | 120 | 178 |
| Heritage Collection | 82 | 82 |
| Less Accumulated Depreciation | - | - |
| | 82 | 82 |
| Property Plant & Equipment at net book value | 20,683 | 21,976 |
| Total Property Plant and Equipment | 22,811 | 22,877 |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 September 2020 (continued)

Reconciliation of Carrying Amounts

| Property, Plant & Equipment | Admin. Building (\$'000's) | Site Improvements (\$'000's) | Plant & Equipment (\$'000's) | Computer & Office Equipment (\$'000's) | Motor Vehicles (\$'000's) | Heritage Collection (\$'000's) | Total (\$'000's) |
|------------------------------------|-------------------------------|---------------------------------|---------------------------------|---|------------------------------|-----------------------------------|---------------------|
| At Cost | 6,440 | 14,724 | 15,614 | 5,131 | 830 | 82 | 42,821 |
| Less Accumulated Depreciation | (2,833) | (3,610) | (12,856) | (2,129) | (710) | - | (22,138) |
| | 3,607 | 11,114 | 2,758 | 3,002 | 120 | 82 | 20,683 |
| Reconciliation of Carrying amounts | | | | | | | |
| Carrying amount at start of year | 3,736 | 11,557 | 3,150 | 3,273 | 178 | 82 | 21,976 |
| Capital Additions | - | 11 | 460 | 273 | - | - | 744 |
| Capital Disposals | - | - | - | (2) | - | - | (2) |
| Depreciation expense | (129) | (454) | (852) | (542) | (58) | - | (2,035) |
| Carrying amount at end of year | 3,607 | 11,114 | 2,758 | 3,002 | 120 | 82 | 20,683 |

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

| | 2020 (\$'000's) | 2019 (\$'000's) |
|-------------------------------------|--------------------|--------------------|
| 13. INVESTMENT (NON-CURRENT) | | |
| Investment | - | 4,984 |

Investment was related to an unlisted managed fund entered into during the year ended 30 September 2018. The investment was redeemed on 17 March 2020.

| 14. PROVISIONS (NON-CURRENT) | | |
|-------------------------------------|------------|------------|
| Long Service Leave | 359 | 357 |

| 15. CONTRACT LIABILITIES (NON-CURRENT) | | |
|---|------------|--------------|
| Prepaid Membership Fees | 357 | 222 |
| Deferred Bonds and Disbursements | 171 | 1,538 |
| | 528 | 1,760 |

| 16. OTHER REVENUE | | |
|--------------------------|--------------|--------------|
| Government Grant | 3,534 | 2,900 |
| Other revenue | 1,722 | 1,943 |
| | 5,256 | 4,843 |

The RAS was eligible for the JobKeeper wage subsidy scheme announced by the Federal Government on 30 March 2020, \$3.5 million had been recognised in revenue in the 2019/20 reporting period. RAS continues to receive JobKeeper subsidies in its extended formats since the original scheme ended on 27 September 2020.

In 2019, RAS received a total of \$2.9 million government funding from Office of Sport for the construction of Wi-Fi infrastructure in the Stadium.

17. FINANCIAL INSTRUMENTS

Cash

Cash comprises cash on hand and cash investments comprising term deposits, cash funds, and short term deposits. All cash is invested in accordance with the RAS's investment policy which seeks to minimise capital risk. The weighted average interest rate on term deposits was 1.08% (2019: 2.92%).

Receivables

The majority of trade receivables as at 30 September 2020 are for future events. These amounts are payable before the event commences. As such the exposure to bad debts for the RAS is not significant.

Trade Creditors and Accruals

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

| 18. AUDITORS REMUNERATION | 2020 (\$'000's) | 2019 (\$'000's) |
|---|--------------------|--------------------|
| Amount received or due and receivable by Ernst & Young: | | |
| Fees for auditing the financial report | 89 | 94 |
| Other assurance services | 35 | 63 |
| | 124 | 157 |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 September 2020 (continued)

19. RELATED PARTY TRANSACTIONS

The Office Bearers of the RAS as at this date are set out in this report. Apart from the Chief Executive, members of the Council serve without remuneration, but are eligible for reimbursement of travel and accommodation expenses (where applicable) when attending Council Meetings. Certain Councillors have declared an interest in the RAS's dealings with enterprises associated with them. These include S Dadd (Boral Timber Division), Ms S Evans (Len Evans Tutorial) and Ms Y McKenzie (Agricultural Societies Council of NSW).

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

In the 2020 financial year, RAS donated \$9,000 (2019: \$560,000) to the RAS of NSW Rural Fund. Operating through three funds, the trustee is RAS of NSW Foundation Limited which comprises of seven directors, four of whom are Councillors of the RAS of NSW and three are independent directors.

20. EVENT SUBSEQUENT TO BALANCE DATE

On 3 December 2020, the Australian Government informed the RAS that it had been successful in applying for a \$15.1 million grant as part of the Supporting Agricultural Shows and Field Days program. The purpose of the program is to help agricultural show societies and organisers of Agricultural Field Days deal with cash flow pressures caused by COVID-19 related cancellations. The amount will be brought to account by RAS in its 2020-21 financial statements.

DECLARATION BY THE BOARD

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

- (a) the Society is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes of the Royal Agricultural Society of NSW are in accordance with the Rules of the Society and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the Society's financial position as at 30 September 2020 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 2(a) to the financial statements and complying with the *Australian Charities and Not-for-Profits Commission Regulation 2013*;
- (c) there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.

On behalf of the Board



M Millner, President
8 December 2020



G Sharpe, Treasurer
8 December 2020



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

OPINION

We have audited the financial report, being a special purpose financial report, of the Royal Agricultural Society of NSW (the "Society"), which comprises the statement of financial position as at 30 September 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Board of the Society (the "Board").

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

- giving a true and fair view of the Society's financial position as at 30 September 2020 and of its financial performance for the year ended on that date; and
- complying with Australian Accounting Standards to the extent described in Note 2, and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

BASIS FOR OPINION

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

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

EMPHASIS OF MATTER - BASIS OF ACCOUNTING

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Board's financial reporting responsibilities under the Rules of the Society and the *Australian Charities and Not-for-Profits Commission Act 2012*. Our opinion is not modified in respect of this matter.

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

The directors are responsible for the other information. The other information comprises the Corporate Governance Statement and Competition Entries Report accompanying the financial report.

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

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

otherwise appears to be materially misstated.

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

RESPONSIBILITIES OF THE BOARD FOR THE FINANCIAL REPORT

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

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

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

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

reasonableness of accounting estimates and related disclosures made by the Board.

- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young

Daniel Cunningham
Partner
Sydney
8 December 2020

Liability limited by a scheme approved under Professional Standards Legislation



Royal Agricultural Society of NSW

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