

Annual Report 2011



The Royal Agricultural Society of Western Australia



ROYAL AGRICULTURAL SOCIETY

Generations of Western
Australians have been
involved with the
Perth Royal Show

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Tony Devitt

The President's Report

The last twelve months have been a testing time for the State's agricultural industries with drought, floods, fire and a difficult market environment for many of our producers.

The Royal Agricultural Society of Western Australia has also had a challenging year, fortunately dominated by mainly positive outcomes from our major events.

The Smoke Free 2010 Perth Royal Show was blessed with fine weather, large happy crowds, great daily entertainment and a wonderful array of high quality local products entered in more than 40 competitions staged by The RAS.

In my last year as President of the Society, I must acknowledge the significant contribution our competitors, exhibitors and sponsors make to the Show. The standard of exhibits continues to improve and receive high praise from our judges, many of whom are from out of State. It was also a credit to our producers that in a difficult year the standard of animal entries was extremely high.

The RAS is deeply indebted to our sponsors. In my term as President the relationship with Healthway and IGA has been especially gratifying as it has allowed us to promote some important community messages relating to "smoke free" and choosing fresh local produce. The support from former Minister Kim Chance and current Minister Terry Redman and the Department of Agriculture and Food has been a

highlight in our aim to promote the State's agriculture and the career opportunities the industry offers to our students.

The Perth Royal Show is the State's biggest annual event and for many families going to the Show is a part of their tradition going back several generations. This event along with others staged at the Claremont Showground during the year forms an important part of the cultural fabric of WA. The Showground is an important community asset which must be further enhanced to become an even greater focus for the education and entertainment of our community. Failure to do so due to a lack of vision would be a serious lost opportunity.

When mentioning those who have made a special contribution I would like to acknowledge the wonderful support and friendship The RAS has received from the recently retired Governor of Western Australia, Dr Ken Michael AC and Mrs Julie Michael. The RAS wishes them both well in their retirement.

I would like to take this opportunity to thank Stephen Lee, for the outstanding contribution he made to The RAS, over the past 6 years whilst Treasurer. During Stephen's tenure, The RAS' financial position has improved significantly and as a result we are in a much better position to tackle the challenges we face in the future.

I would also like to extend a warm welcome to our new Treasurer,



Trevor Hoddy and wish him the best over his term.

As my term as President draws to a close, I would like to say what a pleasure and honour it has been to hold the position. It has been an uplifting experience as I have met some remarkable, warm hearted and inspiring people.

I wish you all prosperity and happiness and encourage you to support our incoming President. I hope his/her experience as President of The RAS will be as enjoyable and fulfilling as my time has been.

I look forward to seeing you in 2011 at the IGA Perth Royal Show which will have free entry for children and will be held in the first 8 days of October, a month of celebration for WA culminating with CHOGM.

A handwritten signature in black ink that reads "Tony Devitt". The signature is stylized and written in a cursive-like font.

Tony Devitt
President



Best of the best



The winners of the 2010 Governor's Cup with the Governor of WA Dr Ken Michael.



The RAS was awarded the AMA Healthier WA award.

The CEO's Report

The RAS was delighted to receive the AMA Healthier WA Award for our decision to make the Perth Royal Show the biggest smoke free community event in the world. Our partnership with Healthway has had a profound influence on the community expectations of smoking at public events.

One of the major projects undertaken over the past 12 months was the refurbishment of the Wilkinson Art and Photography Gallery. Gone is the suspended ceiling and in its place the original beams have been sanded down creating a sophisticated hanging space. Windows have been reinstated to allow a great deal more natural light into the building which now boasts professional lighting and temperature control essential for gallery space. While the building houses the Open Art, Agricultural Art and Photography exhibitions during the Perth Royal Show, it is now available for year round exhibitions.

Maintenance of the Showground continued with the second last stage of the new fire hydrant system, making a total of \$750,000 spent to date. Road works around gate 10 and along Waylen Road were undertaken and a new boundary fence along Ashton Avenue has enhanced the visual appeal of the Showground.

I am pleased to report the Show enjoyed strong ticket sales. All revenue generated by ticket and exhibitor site sales is reinvested into Claremont Showground and the Perth Royal Show. Sales of discount tickets at IGA increased again in 2010 and an early bird discount introduced online proved successful and underscored the Society's determination to keep the event affordable for all Western Australians.

Claremont Showground hosted more than 30 large events (aside from the Perth Royal Show) last year which attracted almost 400,000 people.

We welcomed a new tenant, the Wine Association of WA to the Lou Giglia Pavilion. Our facilities were used by the WA Police Department (including the Riot Squad) for outdoor training and indoor seminars. These facilities were provided by the Society in support of the WA Police service. At the same time, the grounds were used for equestrian events, inline hockey, junior football and the Breast Cancer Care's Long Table Lunch, which raised more than \$75,000.

Strategic planning for the next five years commenced in 2010 with The RAS appointing consultant Dr Lisa Adams to assist the organisation



manage this process. One of our objectives will be to consider the capacity of the Showground to support more community activities (for example a growers' market, sport, conference facilities, accommodation, parking, retail and commercial opportunities).

The Society's \$30,000 donation to Telethon from the proceeds of gate revenue was one of many initiatives at the Perth Royal Show that provided direct financial support to a number of worthy WA organisations and charities.

A handwritten signature in black ink, which appears to read 'Martin Molony'. The signature is written in a cursive, flowing style with a horizontal line underneath.

Martin Molony
CEO

Trevor Hoddy

Treasurer's Report



I was privileged to be appointed as Treasurer of The RAS of WA in December 2010.

It is pleasing to report that The RAS has achieved another strong operating audited surplus of \$478,499 for the financial year ended 31 March 2011 and continues to maintain a solvent position.

The RAS continues the challenge of striving towards the development of strategic and operational plans in addressing future medium to long term objectives and needs in these times to ensure ongoing security.

During the year to 31 March 2011, the Council continued with its budgeted program of reinvesting and upgrading the Showground facilities and infrastructure with more than \$1.1M being spent on capital additions, including:

- Upgrades to the Wilkinson Gallery;
- Upgrades to the Ellie Eaton Pavilion;
- Continued upgrades to the fire hydrant system;
- Continued upgrading of our road network;
- Upgrading our CCTV network; and
- Computer equipment.

Demands will continue to be made for more resources to be applied to the Showground facilities going forward.

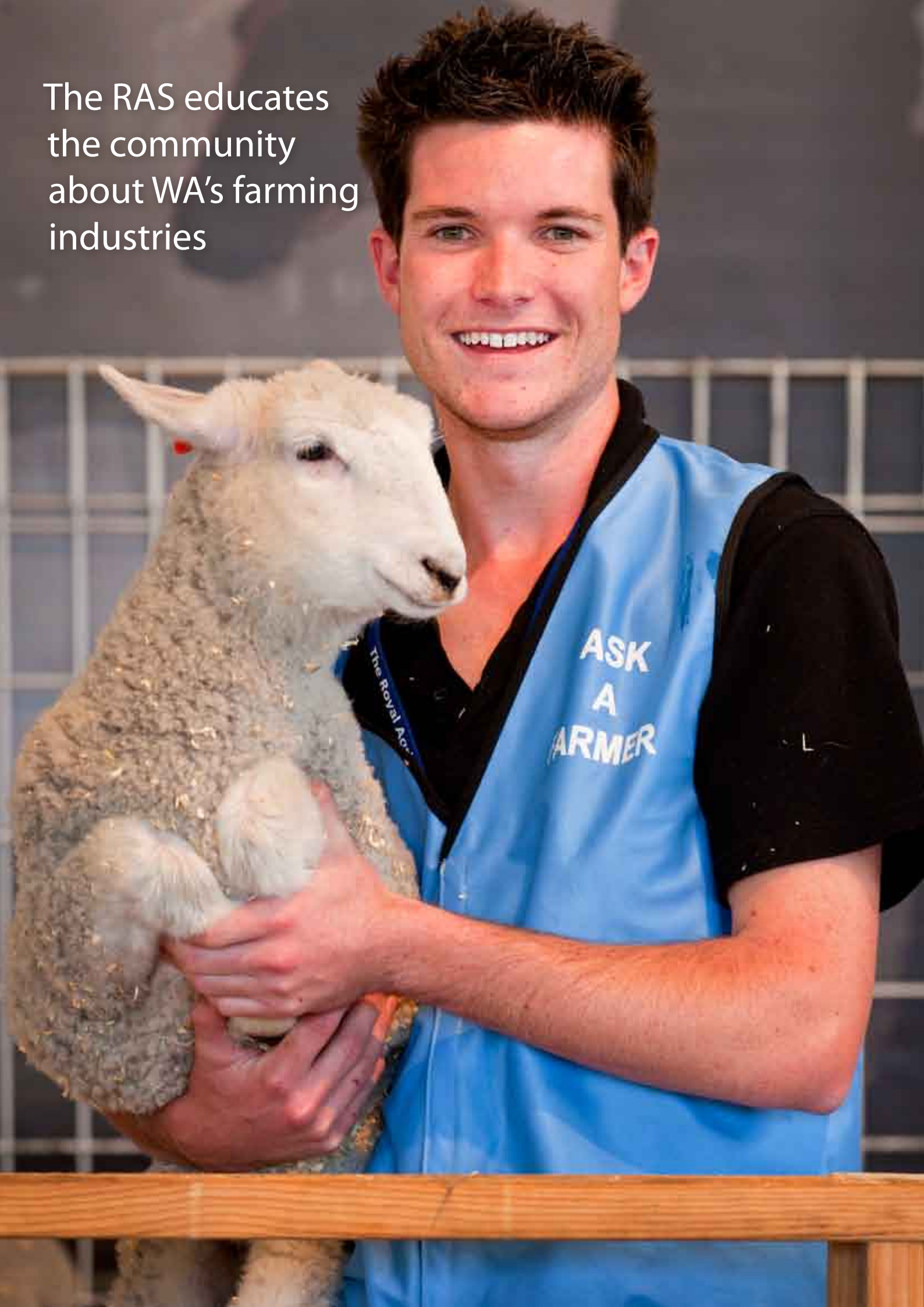
Through the Council's Audit Committee and in conjunction with our Auditors, The RAS continues to review, examine and improve its corporate governance.

With appropriate strategic planning and decision making, sound financial management and continued dedication of all, The RAS will progress its Charter and contribute to the promotion of agriculture and related industries in Western Australia.

A handwritten signature in black ink that reads "Trevor Hoddy".

Trevor Hoddy
Treasurer

The RAS educates
the community
about WA's farming
industries





Highlights of 2010

Perth Royal Show

A Chinese fashion delegation, an exhibit focusing on WA's meat industry, a cook book featuring award winning recipes and animals wandering among visitors at the Baby Animal Nursery brought new perspectives to the 2010 Smoke Free Perth Royal Show.

For the second year the Sheep and Shearing Pavilion hosted wool and natural fibre fashion parades featuring garments from young Chinese designers. A delegation from China hosted by Australian

Wool Innovation and The RAS spent a day marvelling at the diversity of the exhibits and entertainment.

Among the many highlights of the Show was the presence of the Republic of Croatia as our Guest Nation and the Avon Valley as our Guest Region. For many the Show was an introduction to the food, art, theatre, music and scenic beauty of Croatia and an awakening of the great diversity of the produce and tourist destinations offered by the Avon Valley. A two day media tour of

the region coordinated by The RAS in the weeks leading up to the Show publicised many local products and businesses springing up in one of WA's most dynamic agricultural areas.

A new exhibit focusing on WA's important meat industry offered showgoers the chance to interact with industry representatives, stud owners and competition winners. Meanwhile opportunities for interaction between visitors and animals were enhanced at the Baby



Animal Nursery and the Creatures Great and Small Pavilion.

Prize winning and mouth watering recipes from the Perth Royal Show Cookery Competition featured in a book written by WA writer Pam Cassellas which was available for sale alongside the entries of the 2010 competition.

The Department of Agriculture and Food and WA Police coordinate exhibits each year which take months to plan and whose employees swap their regular duties to engage with the wider community for the eight days of the event. At the same time, the Show is attended by staff and students

of WA's agricultural schools and universities who are involved either as volunteers or competitors.

Last year, 2,000 people from around the State volunteered at the Show in a variety of roles from coordinating competitions to manning information booths. Long standing volunteers of 20 years were acknowledged by The RAS with their names commemorated on an honour board. As well, The RAS recognised the contribution of volunteers through two awards. Volunteer of the Year was presented to Susan Davey who has worked with the dairy goat section for the past 27 years. Deb Hogan was named Volunteer of the Show.

Follow the Yellow Brick Road, our educational trail which follows the path of the agricultural pavilions, again enjoyed a 17 per cent growth in participation.

The competitions are a focal point for people's Show visit with many offering educational programs and activities. This year, the Society had 15,700 entries from 3,200 people.

A speed painter, a renowned magician and a 75-year-old trapeze artist were among the event's popular entertainment program which incorporated 800 performances over the eight days.



THE ROYAL AGRICULTURAL SOCIETY OF ENGLAND
* 2010 SMOKE FREE FESTA
SUPREME CHAMPION MERINO ORANGE

Our competitions
benchmark excellence

Smoke Free Perth Royal Show



Some highlights of the event include:

- Award-winning WA chocolatiers Whistler's gave away 100 kilos worth of free samples. Whistler's made eight batches of honeycomb a day, 960 kilos over the week.
- Twin kid goats were born at the Dairy Goat shed and triplet kids goats at the Baby Animal Nursery.
- Ice cream makers Frogs Gelato won nine awards at this year's Show. Throughout the course of the week they gave away nearly 700 litres of samples in the Dairy Pavilion. Their most popular

flavours were Avatar, Mint Choc and Bubblegum.

- Visitors consumed 300 litres of free samples of flavoured milk, 40 kilos of cheese and 500 litres of long life juices at the Harvey Fresh stands.
- More than 200 kilos of Morish Nuts confectionery was given away.
- About 18 litres of olive oil were sampled in the IGA Fresh From WA Pavilion.
- Champion chocolate winners Fremantle Chocolate poured 200 kilos of chocolate in the

chocolate fondue fountain on the IGA Follow the Yellow Brick Road. They gave away 15,000 chocolate teddy bears over the week and five kilos of fudge a day.

- 300 kilos of sausages were cooked and given away in the IGA Fresh from WA Pavilion.
- 700 cheese toasties a day were made and sold to benefit Telethon.
- 5,940 oysters were shucked in the Aqua Farming Pavilion.

Promoting excellence

Our competitions

The high standard of entries in this year's Open Art Exhibition made the job of selecting the winners a difficult one. Artist Mitzi Smith won the day with her colourful mixed media piece 'Days End'. Her work was described by judges as presenting a mature, in-depth exploration into expressionistic subjects, shapes and painting techniques. The best rural artist went to Neville Peterkin for his work 'Ferguson Valley'.

Bridgetown artist Simon Harrison's painting of a pair of pink and grey galahs swooped up first prize in the 2010 Agricultural Art Award. His piece called 'The Harvesters' was a scene painted in watercolour and acrylics. Judge Fran Wallis congratulated the artist on his faultless technique. Runner up was Judith Stewart of Lake Grace with an oil painting entitled 'Bush with Sunlight Imagery'.

It was a fitting tribute to the Perth National Photographic Exhibition's Silver Jubilee that entries, and standards of exhibits, were well ahead of previous years. With an abundance of talent to choose from – having received almost 1,500 exhibits, the 2010 competition was a particularly tough one. The trophy for the most successful exhibiting photographer was won by Victorian Joseph Darmenia, while Tony Hopkins was named the most successful WA exhibitor.

A record 370 entries from 39 exhibitors in the Dairy Products

competition saw gold medals shared between WA and interstate. Judges were pleased with the representation from the large interstate cheese companies based in Melbourne, Sydney and Tasmania which provided a good benchmark for WA cheese companies. National Foods Burnie's Tasmanian Heritage Red Square Cheese was named the Champion Dairy Product as well as Champion Cheese for 2010. Mundella Foods in Mundijong won Champion Yoghurt for its Mundella Premium Natural Yoghurt. Simmo's Icecreamery in Dunsborough, WA, won the Champion Ice Cream or Gelati with its Hazelnut with Chocolate Mocha Swirl. Bannister Downs Dairy, in Northcliffe, won Champion Flavoured Milk with its Mango Smoothie-Mango Milk 99% Fat Free and Champion Unflavoured Milk for Pasturised Whole Milk Farm Fresh Milk.

Belmont floristry student Jessica McGilvray was the winner of the Smithers-Oasis Designz Cup Competition at the 2010 Smoke Free Perth Royal Show. The prestigious competition was open to all floristry students with State winners selected from each Royal Show and a national winner chosen from State winners. This year's theme was 'Wedding Wizardry in a Country of Your Choice'. Jessica, 20, based her design around a Japanese motif saying she was inspired by the elegance and simplicity of Japanese culture. Gemma Gear won The RAS Floral Competition. The competition's theme was Setting

New Dimensions. Gemma's colourful 3D creation featured 11 pieces of diamond shaped Perspex draped with a floral display that cascades like a waterfall. The RAS Foliage Competition themed Nature's Precious Gift was won by Katalen Szucs for her piece called 'The Seed of Life'. Peta Longman won The RAS Innovative Design Competition whose theme was 'Eastern Promise'.

For the fourth year in a row Denmark Bakery was the Bread and Pastry Competition's most successful exhibitor in pastry cooking. A new class, Butcher's Pie, was won by Princi Butchers Fremantle.

New Norcia, WA's own slice of Spain, is best known for grandiose buildings and dark-robed monks, but it can also boast award winning olive oil. The Benedictine Community of New Norcia was named Best WA Oil of the Show and Best Oil of the Show at the Perth Royal Extra Virgin Olive Oil Competition, which was judged in August. Judges described the winning oil as having an aroma of grapes, tropical fruit salad, nectar and passionfruit. Of the 10 gold medals awarded, nine went to WA producers – Naturaliste Ridge Olive Grove (Dunsborough), Margaret River Extra Virgin Olive Oil, Hampton Estate (Gidgegannup), Pimelia Olives (Pemberton), Grindon Olives (Boyup Brook), Elkanah Grove (Donnybrook), Torbay Olives (Albany), and Talbot Grove (York). The other gold went to Tasmania.



A merino fleece from Tambellup was awarded Supreme Fleece of the Show.



The Perth Royal Wine Competition enjoys entries from Australia and New Zealand.

THINGS ARE BUZZING in the SOUTH WEST

Showcasing the best of WA



Our competitions

There were 81 entrants and 161 entries across five classes at the 10th annual Perth Royal Extra Virgin Olive Oil Competition, with a record 33 per cent of entries awarded a gold or silver medal (up from 24.4 per cent last year).

After 15,000 wine glasses had been washed, dried and put away and more than 2,400 bottles sampled, Margaret River winery's Happs Wines carried off a swag of gold, silver and bronze medals to become the Most Successful WA Exhibitor processing under 300 tonnes at the 2010 Perth Royal Wine Show. Another South West winery, Higher Plane's Cabernet Sauvignon 2008 Vintage won trophies for Best Red Table Wine, Best Western Australian Dry Red Table Wine, Best 2008 Vintage Dry Red Table Wine and the Best Cabernet Sauvignon. The two most prestigious trophies were carried off by Eastern State's companies, McWilliams Wines for Most successful Exhibitor, and Penfolds for the Best Wine of the Show with its Reserve Bin A Chardonnay 2007 vintage.

A panel of 19 local and interstate judges completed judging some 236 beer exhibits (151 commercial entries and 85 amateur entries) entered in the fourth Perth Royal Beer Show. The Swan Valley's renowned Feral Brewing company laid claim to the Premiers Trophy for Best WA Beer of the Show; the Cryer Malt Trophy for Best

Commercial Beer of the Show; The Royal Agricultural Society of WA Trophy for Best Commercial Brewery, the Barnett Burston Trophy for Best Ale Draught and last but not least the Sail and Anchor Trophy for Best WA Brewery. Other trophy winners included Lion Nathan which took home three awards for Best Lager Packaged; Best Lager Draught and the trophy for the Best Reduced Alcohol Packaged. Nail Brewing Australia carried off the trophy for the Best Stout Packaged while Mash Brewing won the trophy for the Best Stout Draught.

Farmers take part in a range of competitions which benchmark excellence in agricultural practice. These include alpaca and alpaca fleece, beef, trade and dairy cattle, sheep, prime lamb and wool, meat and fibre goats. For the Banksia Park Alpaca Stud, winning the 2010 Governor's Cup brought them a step closer to their goal of promoting alpaca fibre on the world stage as a viable alternative to merino wool. Owned and run by George, Jenny and daughter Sophie Jackson, the Serpentine stud boasts an elite 800 alpaca herd that is recognised worldwide. The herd, which is run on 145 acres, was formed 18 years ago when Jenny was looking for a business opportunity. An article about alpacas inspired her to make the switch from cattle and goats. The move was worthwhile as the business is now classed as one of the top studs in Australia. They have

been sweeping the board in prizes at the Royal since 1995 when they won Supreme Champion before tying for the Governor's Cup in 2007.

A Merino fleece from Tambellup, south of Katanning was named Supreme Champion Fleece of the Show. Chief Judge Tim Chapman said the fleece, from a ewe, was bright, white and showing magnificent softness, characteristics fashion houses in Europe would be looking for. The win was a hat-trick for the owners, Rowland and Elizabeth Sprigg of East Strathglen Stud, who managed to clinch the Supreme Sheep title at the Wagin Woolarama Show in March and Supreme Sheep in Bendigo, recently. There were 200 fleeces from around the State, including the Goldfields, entered in the prestigious competition.

The South West region took out top honours in the District Displays competition which features 10 displays, one for each of Western Australia's regions, from the Pilbara in the State's north to the Great Southern. Designed by Capel resident Denise Mercer, the South West display used bees and honey as its central theme. The Great Southern region came in second place with a wool-focused display, while the Coastal region came third with a display centred round the produce found in each of the four seasons.



Jano Foulkes-Taylor



John Cripps



Les Hitchcock



Rex Edmondson

Agricultural Hall of Fame

This year's inductees to Agricultural Hall of Fame which was established by The RAS in 1999 were Janette Floyd (Jano) Foulkes-Taylor, John Cripps, Les Hitchcock and Rex Edmondson.

JANO FOULKES-TAYLOR

The 20th century saw vast changes in the management of the fragile pastoral areas of Western Australia from relatively unrestricted exploitation to careful and sustainable land-use to preserve its cultural, scenic and pastoral potential. Jano Foulkes-Taylor has been recognised for her active role at the forefront of this continuing technological and social development. She was born in the Eastern Goldfields and spent most of her life on stations in the Murchison. She is noted for her passion for the conservation of the region's resources. She has coupled this with a commitment to diversifying enterprises in the rangelands and to educational, communicational and social changes that have allowed young people to acquire the skills to live and work successfully in the region.

JOHN CRIPPS

Western Australia began to have a significant influence on the apple industry of Australia in the latter part of the 20th century and is now recognised as an important

supplier of quality apples to world markets. John Cripps was a major contributor to all facets of its success. He joined the Department of Agriculture in 1955 and became a specialist horticulturalist in 1959. From the 1960s, he developed rootstocks that were compatible with Western Australian soils, worked out strategies for irrigation and fertiliser that best suited the local environment and identified approaches for controlling cropping to ensure consistent annual production. His exceptional and most obvious accomplishment was the breeding of the Pink Lady and Sundowner varieties of apples that have become household favourites.

LES HITCHCOCK

Les Hitchcock spent a lifetime promoting two of Western Australia's important meat industries, pork and lamb. He played a key part in helping them progress from minor industries producing indifferent products for consumers and supplementary returns for farmers, to dynamic industries in their own right generating meat products of world-class quality. He took over the family farm at the Grass Valley in 1939 and began a Corriedale stud soon after for the production of lamb. Later he began successful Berkshire and Landrace pig studs to produce pork.

REX EDMONDSON

Farming the fragile soils of Western Australia is a constant challenge. After opening up huge tracts of land between the second war and the 1970s, farmers and others realized that their use of the land was not sustainable. From the early 1980s, the Landcare movement gave farmers the opportunity to redress the rampant problems of salinity, erosion and degradation of soil and Rex Edmondson was the face and a major driving force behind the development of Land Care.





Australian Council of Agricultural Societies Coca-Cola Regional Scholarship winners Emma Mainprize, Brodey Philips, Blair Humphry and Braden Lange.



Rural Community Achiever Malcolm Edward and RAS President Tony Devitt.



A school incursion program educates primary school students about the paddock to plate cycle.

Community Relations

During the year, The RAS acknowledges Western Australians whose skills have made a major contribution to their industry or community. This year, Chad Smith from Northampton was chosen as our Rural Ambassador. Chad, a stock agent in the Gascoyne, Pilbara and Murchison, will attend the Royal Agricultural Society of the Commonwealth Conference in Zambia in 2012.

Wagin's Malcolm Edward was named our 2010 Rural Community Achiever. The award recognises the years of effort he has put towards staging the town's annual Wagin Woolorama. Moving to Wagin in 1968 to join his father-in-law in the running of Belmont Park Stud, Malcolm Edward quickly became involved in the Wagin Agricultural Show and soon realised the annual October event, with only locals attending, had no future. Along with other forward thinkers he proposed it become an autumn event in March, when there would be less competition from other agricultural shows. Woolorama was born and 38 years later it is recognised as an outstanding success, with local businesses benefiting from the 20,000 visitors it attracts annually.

For a second year, The RAS partnered with Polytechnic, and the Building & Construction Training Fund (formerly BCITF) to offer students from the metropolitan education district the opportunity to participate in a pre-apprenticeship

program covering the wet trades of bricklaying, solid plastering and wall and floor tiling. Live Works provides students in Year 11 the opportunity of receiving pre-apprenticeship training two days a week alongside their regular studies without having to find an employer to give them work experience. The RAS provided materials, training facilities and a qualified trades assistant to oversee students. Over the past year, the students have constructed a 6,000 brick storage area including digging out footings, steel reinforcement and concreting, constructed nine limestone block retaining seats as well as undertaking rendering and tiling projects at the Showground.

With the aim of educating primary school children about the paddock to plate cycle, The RAS coordinated a school incursion program which was rolled out to 4,000 students at 16 metropolitan schools. As well, 32,000 WA primary school students learnt about our agricultural industries through the Perth Royal Show student work book published as part of The West Australian's Newspapers in Education.

A scholarship is an ultimate achievement to realising goals and four students are finding university life easier following monetary awards presented to them during Perth Royal Show. The RAS assists young people studying agricultural subjects by contributing to their tertiary costs through the Australian Council of Agricultural Societies

Coca-Cola Regional Scholarship program. Each recipient receives \$2,000. The 2010 winners were Murdoch veterinary science student Emma Mainprize, Curtin civil engineering student Brodey Phillips, UWA agricultural science student Blair Humphry and Muresk agricultural business management student Braden Lange.

The RAS coordinated the annual Agricultural Colleges and Schools Competition to assist secondary students studying at agricultural schools develop their skills, gain confidence and experience.

At the same time, The RAS managed a mentoring program and Youth Judging competition to encourage agricultural students to become skilled judges.



A focus on a major asset

Claremont Showground

This year the Showground attracted more out of Show events than ever before. It is the only venue in Perth with facilities suitable for staging many concerts and exhibitions.

Two concerts and a trade show were new to Claremont Showground. The Creamfields concert attracted a crowd of 6,000 while Soundwave was attended by 25,000 people. In May, for the first time the Showground hosted the Food & Beverage Expo, a trade show organised by the Food Industry Association.

The Perth Caravan and Camping Show in March attracted more than 45,000 people over five days. Other lifestyle events included the WA Craft Quilt & Stitch Show, followed by the WA Wood Show, Pregnancy Babies and Children's Expo, The Bridal Fair and Conscious Living Expo.

On 26 April more than 530 guests attended the seventh annual Celebration of Women Long Table Lunch and the fifth to be supported by The RAS. The event raised more than \$75,000 and these funds were used to provide personalised support and care to WA women diagnosed with breast cancer.

Treasured Craft Creations held its April fair over the same weekend from 24 to 26 April.

The Bindaring Red Cross Sale has been at the Claremont Showground for more than 17 years and another successful event was held in May attracting thousands of bargain hunters and raising in the vicinity of \$100,000 for many worthy causes supported by the Red Cross. Pop culture devotees gathered at Claremont Showground for the third Supanova in June.

Rounding out the handful of concerts held at the Showground each year, Stereosonic took place on 28 November attracting a crowd of 25,000, while the WA leg of the national youth festival, The Big Day Out held in February, was attended by close to 40,000 people.

The WA Mining & Engineering Expo 2010 was held in the Robinson and Silver Jubilee Pavilions during November and the Christmas Craft Fair at the end of November.

Variety WA and Neat Ideas combined infrastructure including rides and a circus at their 2010 Social Club Christmas events. The Variety Children's party was held on 11 December and was attended by over 3,000 children and parents, followed by Neat Ideas Christmas Party on 12 December which was attended by more than 10,000 children, parents and grandparents.



A major community venue



The backbone of our organisation

The RAS Leadership

2010 Members of Council



Front row: Jim Webster, Kevin Cahill, Shirley Thorn, John Snowball, Trevor Hoddy, Tony Devitt, Hugh Harding, Lyn Piper, Margaret Bannister, Lou Giglia, John O'Meehan

Back Row: Don Chipper, Ken Walker, Ross Rainbird, Rob Wilson, Robert Pearce, Bill Scott, Paul Carter, Bill Trend, Dudley Preston, Mark Connelly, Kingsley Preston, John Watson, Herb Harkins, Robert Hawes, David Button

Absent: Dexter Davies, Leon Giglia



Andrew Williams, Peter Gelmi, Don Robertson, Angus Horwood, Ivan Solomon, Don Boyle.

Our wonderful support

The People of RAS



Senior Management Team

Martin Molony, Natalie Raynor, Maryanne Shaddick, Geraldine Short, Kay Fuller, Robbie Howard

Patron

His Excellency, Dr Ken Michael AC
Governor of Western Australia

Vice Patron

The Hon Wayne Martin
Chief Justice of Western Australia

President

Mr Tony Devitt

Vice President

Mr Hugh Harding

Immediate Past President

Mr Ivan Solomon

Treasurer

Mr Stephen Lee (resigned Oct 2010)
Mr Trevor Hoddy (appointed Dec 2010)

Past Presidents

Dr Don Robertson
Mr Lou Giglia AM
Mr John O'Meehan
Mr Jim Webster OAM

Elected Councillors

Mrs Margaret Bannister
Mr Brian Barnett (resigned Apr 2010)
Mr Trevor Barwick (resigned Feb 2011/
deceased Feb 2011)
Mr Don Boyle
Mr David Button (appointed Jul 2010)
Mr Kevin Cahill OAM
Mr Paul Carter
Mr Donald Chipper
Mr Mark Connelly
Mr Dexter Davies
Mr Peter Gelmi
Mr Leon Giglia
Mr Herb Harkins
Mr Robert Hawes
Mr Angus Horwood
Dr Robert Pearce AM RFD
Mrs Lyn Piper
Mr Dudley Preston
Mr Kingsley Preston (acting Treasurer Nov 2010)
Dr Ross Rainbird
Mr Bill Scott
Mr John Snowball
Mr Peter Tagliaferri (appointed Mar 2011)
Mrs Shirley Thorn AM
Mr Bill Trend
Mr Ken Walker
Mr John Watson
Mr Andrew Williams
Dr Rob Wilson AM

Honorary Life Members

Mrs Margaret Bannister
Mr Kevin Cahill OAM
Mr Jack Howson OBE (deceased)
Mr Michael Jones
Mr Roy Pope
Lt General John Sanderson AC
Mr Jim Webster OAM

Honorary Councillors

Mr Ross Bourne
Mr Bruce Campbell OAM
Mr Peter Dring
Mrs Ellie Eaton
Mr Des Gaze
Mr Don Forrest
Mr Robert Hayes-Thompson OAM
Mr Michael Jones
Mr Ross Reading
Mr Malcolm Seymour
Mr Jim Shepherd AO
Mr John Tate AM

Chief Executive Officer

Mr Martin Molony

Auditor

Deloitte Touche Tohmatsu

The auditors are appointed at the Council Meeting following the AGM each year.

Meeting Attendance

Name	Attend	LOA	Apl	Total	Pos	Appointed to Council	Resigned from Council	2010	2011	2012	2013	2014
President												
Devitt, Tony	11			11	2008	2004			T			
Vice President												
Harding, Hugh	6	4	1	11	2008	2004					T	
Immediate Past President												
Solomon, Ivan	10	1		11	2008	1983						
Treasurer												
Lee, Stephen	6			6	2005	2005	2010					
Hoddy, Trevor	3			3	2010	2010		a4				T
Past Presidents												
Robertson, Don	10		1	11		1992						
Giglia, Lou	8	2	1	11		1988						
O'Meehan, John	8	2	1	11		1981						
Webster, Jim	9		2	11		1969						
Councillors												
Bannister, Margaret	11			11		1987		T				T
Barnett, Brian						2007	2010	Rs	T			
Barwick, Trevor (<i>dec</i>)	4	3	2	9		1989	2011		Rs		T	
Boyle, Don	9	1	1	11		2008				T		
Button, David	6		1	7		2010		a1	T			
Cahill, Kevin	9	1	1	11		1983			T			
Carter, Paul	10	1		11		1994				T		
Chipper, Don	11			11		2010		a3			T	
Connelly, Mark	4	1	6	11		2009					T	
Davies, Dexter	7	1	3	11		2007		T				T
Gelmi, Peter	9	2		11		2008					T	
Giglia, Leon	9	1	1	11		1996			T			
Harkins, Herbert	10	1		11		2005		T				T
Hawes, Robert	11			11		1996					T	
Horwood, Angus	9		2	11		2006		T				T
Pearce, Robert (Dr)	11			11		1989				T		
Piper, Lyn	10	1		11		2005			T			
Preston, Dudley	10	1		11		1993			T			
Preston, Kingsley	11			11		2008				T		
Rainbird, Ross (Dr)	10	1		11		2009		T				T
Scott, William (Bill)	9		2	11		2004					T	
Snowball, John	11			11		1999				T		
Tagliaferri, Peter						2011			a2		T	
Thorn, Shirley	10		1	11		1998		T				T
Trend, William (Bill)	9		2	11		2004			T			
Walker, Ken	10	1		11		2009				T		
Watson, John	10	1		11		2010			T			
Williams, Andrew	9	1	1	11		2008		T				T
Wilson, Robert (Dr)	6	3	2	11		2003				T		

David Button replaced Brian Barnett via Casual Vacancy July 2010

Trevor Hoddy replaced Stephen Lee via Casual Vacancy December 2010

Peter Tagliaferri replaced Trevor Barwick via Casual Vacancy March 2011

Key: a1 appointed 1 year term; Rs resigned; T Term expires

Governance Statement

The RAS is committed to best practice and the principles of good governance.

Our position on corporate governance is outlined below.

General

The RAS is an Incorporated Association and operates in accordance with the Associations Incorporation Act 1987.

The RAS is governed by The RAS' Constitution which is reviewed on a regular basis.

Principles of Good Governance

1. Lay solid foundations for management and oversight

The RAS has established the respective roles and responsibilities of Council and of Management and these are outlined in the Council Charter.

A) Council's roles and responsibilities focus on the following key areas:

- Strategy;
- Reviewing and approving the Annual Budget;
- Reviewing past performance;
- Reviewing and monitoring the integrity of external reporting;
- Risk management and compliance;
- Executive review, succession planning and culture;
- Council performance; and
- Stakeholder Interests.

B) The performance of the CEO is reviewed at least annually by the Remuneration Committee. In addition, Council provides informal feedback to the CEO and senior management on their performance via the monthly Council meetings.

2. Structure the Council to add value

The Council consists of a President, 28 elected Councillors (including the Vice President) and a Treasurer.

The President of The RAS is elected by the members and is responsible for chairing all Council meetings.

The President and the CEO have separate roles and these are not performed by the same individual.

The RAS has a Nomination Committee that is responsible for reviewing nominations for Councillors.

The Council conducts a self-assessment process when evaluating its own performance.

3. Promote ethical and responsible decision making

The RAS has adopted a formal Code of Conduct and also has a Statement of Values which all members of Council and staff are required to adhere to. These documents clearly outline the behaviour that is expected of Councillors and staff and ensure that everyone acts in accordance with the desired standards.

4. Safeguard the integrity in financial reporting

The RAS has a corporate structure that allows it to independently verify and safeguard the integrity of its financial reporting. Specifically;

A) The RAS has a separate Audit Committee that is responsible for overseeing The RAS' financial reporting processes, liaising with external auditors and reporting results to Council.

B) The Audit Committee is chaired by the Treasurer and reports to Council on any matters of significance.

C) The Audit Committee operates in accordance with its own Charter that has been approved by Council.

5. Make timely and balance disclosure

The RAS keeps key stakeholders informed of their activities throughout the year.

A) The RAS prepares an Annual Financial Report and distributes this to its members and other key stakeholders.

B) The RAS has adopted a Compliance Reporting Programme requiring immediate disclosure of major events impacting on The RAS and regular reports to Council in respect to general compliance, crisis management, OH&S, risk management, insurance, legal issues, information technology, the environment and human resources.

6. Respect the rights of members

The RAS values its members and the contribution that they make to the organisation, specifically during the Perth Royal Show.

A) The RAS is in regular contact with its members through its members' newsletter and

B) is in the process of formalising a Communications Policy for all key stakeholders.

7. Recognise and manage risk

The RAS has established a sound system of risk oversight and management as well as internal controls.

A) The RAS has a comprehensive system in place to manage material business risks. Detailed risk management plans are prepared and revised at least annually.

In addition, The RAS utilises the expertise of a Risk Management Consultant and third party service providers to assist in managing material business risks.

Regular Occupational Health and Safety Audits are conducted by external parties.

B) The RAS conducts regular reviews of its internal processes and control systems and reports the findings of such reviews to the Audit Committee.

C) Both the CEO and CFO are required to sign a declaration that the financial statements are founded on a sound system of risk management and material compliance with internal controls, prior to Council approving the Annual Report.

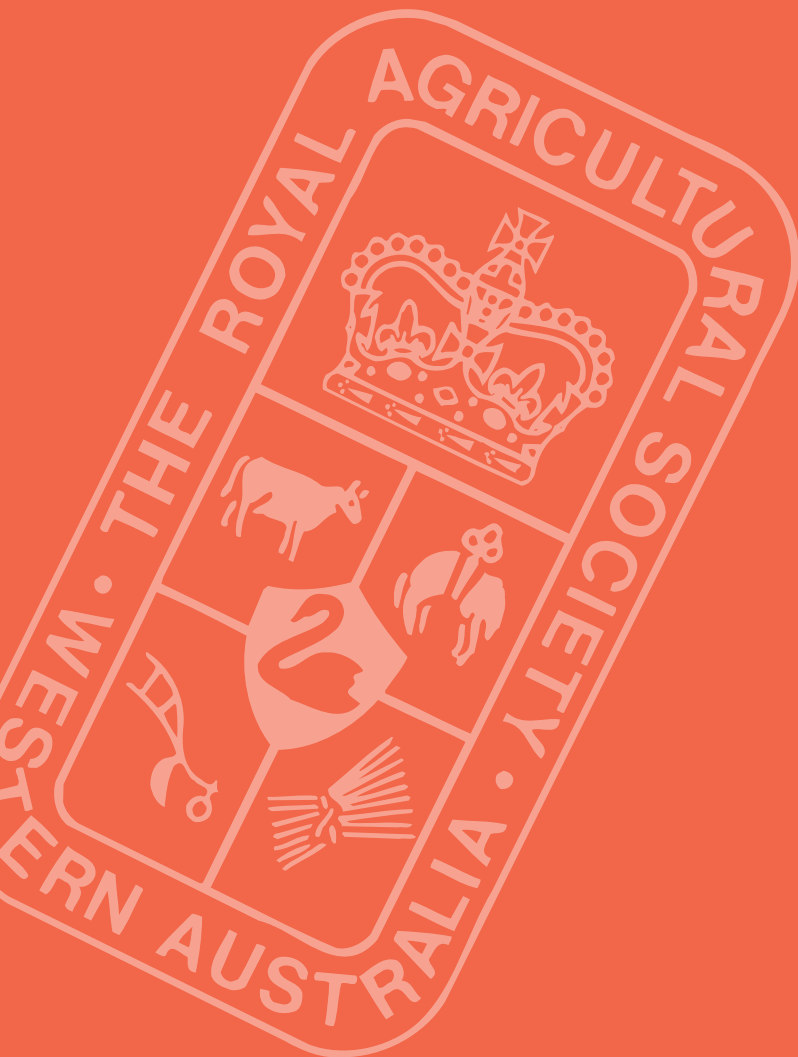
8. Remunerate fairly and responsibly

A) The RAS has a Remuneration Committee which is responsible for reviewing the salaries of senior executives. In addition, as part of the annual budget setting process, the Council considers the overall quantum of staff salaries and wages.

B) Councillors are volunteers and as such do not receive remuneration. Councillors do get reimbursed for expenses they incur on behalf of The RAS and also receive certain non-monetary items during the Perth Royal Show.

Financial Year ended 31 March 2011

Financial Statements



Statement of Comprehensive Income for the Financial Year ended 31 March 2011

	NOTE	2011 \$	2010 \$
REVENUE			
Royal Show income		9,790,929	9,550,077
Membership subscriptions		198,331	198,671
Non-Royal Show income-			
Letting - Grounds and buildings		1,221,405	1,185,707
Catering Income		377,276	372,242
Recovery - Breed Societies		13,892	11,917
Recovery - Electricity, materials, labour and other expenses		448,113	447,614
Interest		196,953	189,010
Sundry revenue		261,968	66,128
Total Revenue from continuing operations	3	12,508,867	12,021,366
EXPENDITURE			
Royal Show expenses		8,176,179	7,875,310
Administration expenses		2,884,904	2,716,946
Breed Societies expenses		13,181	9,498
Finance costs		37,609	35,508
Upkeep of showground		915,172	811,797
Written down value of property, plant and equipment written off		3,323	5,690
Total Expenditure	3	12,030,368	11,454,749
Profit attributable to Members of the Society		478,499	566,617
Total Comprehensive Income for the year		478,499	566,617

Statement of Financial Position as at 31 March 2011

	NOTE	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	4	5,136,528	4,706,894
Receivables	5	419,505	459,889
Inventories		53,194	4,204
Other	6	299,569	288,619
TOTAL CURRENT ASSETS		5,908,796	5,459,606
NON – CURRENT ASSETS			
Property, plant and equipment	7	11,875,278	11,879,519
TOTAL NON - CURRENT ASSETS		11,875,278	11,879,519
TOTAL ASSETS		17,784,074	17,339,125
CURRENT LIABILITIES			
Payables	8	676,074	876,038
Provisions	9	432,230	367,243
Other	10	410,847	332,129
TOTAL CURRENT LIABILITIES		1,519,151	1,575,410
NON – CURRENT LIABILITIES			
Provisions	9	40,651	17,942
TOTAL NON-CURRENT LIABILITIES		40,651	17,942
TOTAL LIABILITIES		1,559,802	1,593,352
NET ASSETS		16,224,272	15,745,773
ACCUMULATED FUNDS		16,224,272	15,745,773

Notes to the financial statements are included on pages 31 to 40.

Statement of Changes in Equity for the Financial Year ended 31 March 2011

	2011	2010
	\$	\$
Balance of Accumulated Funds at the beginning of the year	15,745,773	15,179,156
Total Comprehensive Income for the year	478,499	566,617
Balance of Accumulated Funds at the end of the year	<u>16,224,272</u>	<u>15,745,773</u>

Statement of Cash Flows for the Financial Year ended 31 March 2011

	NOTE	2011 \$	2010 \$
Cash flows from operating activities			
Receipts from Royal Show		10,455,846	10,097,401
Receipts from Non-Royal Show letting		1,834,807	1,599,259
Receipts from recoveries		462,005	459,531
Receipts from sundry revenue		261,968	66,128
Receipts from membership subscriptions		198,331	198,671
Payments to suppliers and employees		(11,834,699)	(11,086,794)
Net cash provided by operating activities	15	1,378,258	1,334,196
Cash flows from investing activities			
Payment for property, plant and equipment		(1,145,577)	(868,410)
Interest received		196,953	189,010
Net cash used in investing activities		(948,624)	(679,400)
Net increase in cash and cash equivalents		429,634	654,796
Cash and cash equivalents at the beginning of the financial year		4,706,894	4,052,098
Cash and cash equivalents at the end of the financial year	4	5,136,528	4,706,894

Notes to the financial statements are included on pages 31 to 40.

NOTE 1. GENERAL INFORMATION

The Royal Agricultural Society of Western Australia ("The RAS") is a not-for-profit, Incorporated Association operating in Western Australia.

Its principal place of business is :

Claremont Showgrounds

Claremont, WA 6010

The RAS' principal activities relate to operating an Annual Show together with using the Showgrounds as an exhibition and trade promotion centre.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL REPORTING FRAMEWORK

The RAS is not a reporting entity because in the opinion of the Councillors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the Councillors' reporting requirements under the Associations Incorporation Act 1987 and the Society's Constitution.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 Presentation of Financial Statements, AASB 107 Cash Flow Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The financial statements were authorised for issue by Council on 25 May 2011.

PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

On the 16 March 2011, the Royal Agricultural Society of Western Australia established a separate Trust, called the Royal Agricultural Society of Western Australia (Inc) Scholarship Fund ("The Trust"). The Society controls the Trust through the Trustees (Refer to Note 16), however, Accounting Standard AASB 127 Consolidated and Separate Financial Statements has not been adopted in the preparation of these special purpose financial statements.

BASIS OF PREPARATION

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

Accounting policies are selected and applied in a manner which ensures that the resulting information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of The RAS' accounting policies, which are described below, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may vary from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

In the current year, The RAS has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below. The RAS has also adopted the following Standards as listed below with no effect on the RAS' financial statements:

- AASB 8 Operating Segments - There is no effect on the financial statements as the amendments relate to disclosures that are not mandatory for special purpose entities.
- AASB 2009-2 Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments.
There is no effect on the financial statements as the amendments relate to disclosures that are not mandatory for special purpose entities.
- Amendments to AASB 5 Non-Current Assets Held for Sale and Discontinued Operations.
There is no effect on the financial statements as the Society does not have Non-Current Assets Held for Sale or any discontinued operations.
- AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate.
There is no effect on the financial statements as the Society does not have any investments in subsidiaries.
- AASB 2008-1 Amendments to Australian Accounting Standards - Share-based Payments; Vesting Conditions and Cancellations.
There is no effect on the financial statements as the Society does not have shares.
- AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123.
There is no effect on the financial statements as the Society does not have any borrowing costs associated with qualifying assets.
- AASB 127 Consolidated and Separate Financial Statements.
There is no effect on the financial statements as the amendments relate to consolidated financial statements.
- AASB 2008-2 Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations Arising on Liquidation.
There is no effect on the financial statements as the Society does not have any puttable financial instruments.
- AASB 2008-8 Amendments to Australian Accounting Standards - Eligible Hedged Items.
There is no effect on the financial statements as the Society does not have any hedged items.
- Interpretation 15 Agreements for the construction of Real Estate.
There is no effect on the financial statements as the Society does not have any construction of real estate.
- Interpretation 16 Hedges of Net investment in a Foreign Operation.
There is no effect on the financial statements as the Society does not have any foreign operations.
- Interpretation 17 Distributions of Non-cash Assets to owners and AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 Distributions of Non-Cash Assets to Owners.
There is no effect on the financial statements as the Society has not distributed anything to its members.

- Interpretation 18 Transfers of Assets to Customers

There is no effect on the financial statements as the Society has not received any transfers from customers.

- AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project and AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project.

There is no effect on the financial statements of the Society.

- Amendments to Australian Accounting Standards arising from the Annual Improvements Project.

There is no effect on the financial statements of the Society.

- AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project and AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project.

There is no effect on the financial statements of the Society.

STANDARDS AND INTERPRETATIONS ISSUED NOT YET EFFECTIVE

Initial application of the following Standards and Interpretations is not expected to have any material impact on the financial report of The RAS:

Standard / Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2009-5 "Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project"	1 January 2010	31 March 2012
AASB 2009-8 "Amendments to Australian Accounting Standards Group Cash-Settled Share-based Payment Transactions"	1 January 2010	31 March 2012
AASB 2009-10 "Amendments to Australian Accounting Standards Classification of Rights Issues"	1 February 2010	31 March 2012
AASB 124 "Related Party Disclosures (revised December 2009), AASB 2009-12 Amendments to Australian Accounting Standards"	1 January 2011	31 March 2013
AASB 9 "Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9"	1 January 2013	31 March 2015
AASB 2009-14 "Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement"	1 January 2011	31 March 2013
Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments"	1 July 2010	31 March 2012
AASB 1048 "Interpretation of Standards (revised June 2010)"	1 July 2010	31 March 2012
AASB 2010-3 "Amendments to Australian Accounting Standards arising from the Annual Improvements Project"	1 July 2010	31 March 2012

Notes to the Financial Statements for the Financial Year ended 31 March 2011

Standard / Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2010-4 "Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project"	1 January 2011	31 March 2012
AASB 2010-5 "Amendments to Australian Accounting Standards"	1 January 2011	31 March 2012
AASB 2010-6 "Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets"	1 July 2011	31 March 2012

The RAS is continuing to assess any impacts these Standards and Interpretations have and will apply these in the first annual reporting period beginning after the effective date of each pronouncement.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

- (a) **Revenue** - Revenue from the sale of goods is recognised when The RAS has passed control of the goods to the buyer. Revenue from the provision of services is recognised when The RAS has completed its obligations under the contract or arrangement. Interest revenue is accrued on a time basis by reference to the amount outstanding and at the effective interest rate applicable.
- (b) **Income Tax** - The RAS is exempt from income tax under Section 23(h) of the Income Tax Assessment Act.
- (c) **Cash and cash equivalents** - Cash and cash equivalents comprise cash on hand and cash in banks, net of outstanding bank overdrafts.
Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.
- (d) **Financial assets** - Trade receivables and other receivables are recorded at amortised cost less any impairment.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The RAS derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If The RAS neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, The RAS recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If The RAS retains substantially all the risks and rewards of ownership of a transferred financial asset, The RAS continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

- (e) **Inventories** - Inventories are held for consumable purposes and are recorded at the lower of cost and net realisable value.
- (f) **Property, plant and equipment** - All non-current assets are initially recorded at cost, being the purchase consideration paid at the date of acquisition plus costs incidental to the acquisition.

All non-current assets except land are depreciated over their expected economic lives using the reducing balance method. The following rates are used in the calculation of depreciation:

- Buildings 5%
- Improvements to showgrounds 5%
- Plant and equipment 5% - 40%

The useful lives of all non-current assets are reviewed at least annually. Where a revision is made to the useful lives of non-current assets, the effect of that revision is included in the Statement of Comprehensive Income and separately disclosed, if material.

- (g) **Impairment of long lived assets** – At each reporting date, The RAS reviews the carrying amounts of its assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, The RAS estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss immediately.

- (h) **Payables** - Trade payables and other accounts payable are recognised when The RAS becomes obliged to make future payments resulting from the purchase of goods and services.
- (i) **Borrowings** – All borrowings are initially recorded at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

- (j) **Borrowing costs** – All borrowing costs are expensed when incurred.
- (k) **Employee entitlements** – A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect to employee entitlements expected to be settled within 12 months are measured at their nominal values using the remuneration rates expected to apply at the time of settlement.

Liabilities recognised in respect to employee entitlements not expected to be settled within 12 months are measured as the present value of estimated future cash outflows to be made by The RAS in respect of services provided by employees up to reporting date.

Defined Contribution Plan

Contributions to defined contribution superannuation plans are expensed when incurred.

Notes to the Financial Statements for the Financial Year ended 31 March 2011

- (l) **Income in advance** - Income in advance comprises deposits received for the letting of facilities for specific events that have yet to occur.

Income in advance is initially recorded as a liability at fair value until such time as The RAS has fulfilled its obligations under the terms of the contract, at which time the funds are regarded as revenue.

- (m) **Goods and services tax** – Revenues and expenses are recorded net of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the Statement of cash flows on a gross basis.

The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

- (n) **Leased assets** – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

NOTE 3. PROFIT/(LOSS) FROM OPERATION

	2011 \$	2010 \$
Profit / (Loss) from operations includes the following:		
EXPENSES:		
Doubtful debts expense	21,372	7,322
Depreciation expense	1,146,495	1,148,084
Writeoff of Property, Plant and Equipment	3,323	5,690
Auditor's Remuneration:		
Auditing the financial report	33,000	30,000
The auditor of The Royal Agricultural Society of Western Australia is Deloitte Touche Tohmatsu.		
Employment benefit expense:		
Post employment benefit		
Defined contribution	269,047	278,193
Other employment benefits	3,046,360	2,950,013
Operating lease rental expense		
Minimum lease payments	47,437	41,359

NOTE 4. CASH ASSETS

Cash at bank	5,136,528	4,706,894
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Cash balances not available for use

Restrictions exist upon the use of cash disclosed at the end of the financial year, as they relate to trust funds held on behalf of various non-operative Agricultural Societies. The balance of the restricted funds are as follows:

Restricted Funds	2,521	2,521
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NOTE 5. RECEIVABLES

	2011	2010
	\$	\$
Trade receivables	473,454	412,026
Allowance for doubtful debts	(78,153)	(63,117)
	<u>395,301</u>	<u>348,909</u>
Net GST Receivable	24,204	110,980
	<u>419,505</u>	<u>459,889</u>

The average credit period on sale of goods and rendering of services is 30 days. No interest is charged on outstanding trade receivable balances. An allowance for impairment is raised based on estimated irrecoverable amounts from the sale of goods and rendering of services, determined by reference to past default experience.

NOTE 6. OTHER CURRENT ASSETS

Prepayments	<u>299,569</u>	<u>288,619</u>
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NOTE 7. PROPERTY, PLANT & EQUIPMENT

	2011	Land	Buildings	Showgrounds	Plant and	Total
		\$	\$	improvements	equipment	\$
				\$	\$	
Gross carrying amount – at cost						
Balance at 1/4/2010		29,565	14,920,396	6,379,174	5,153,677	26,482,812
Additions		-	331,270	116,892	697,415	1,145,577
Disposals		-	-	(13,000)	-	(13,000)
Balance at 31/03/2011		<u>29,565</u>	<u>15,251,666</u>	<u>6,483,066</u>	<u>5,851,092</u>	<u>27,615,389</u>
Accumulated depreciation						
Balance at 1/4/2010		-	(8,418,092)	(3,568,317)	(2,616,884)	(14,603,293)
Depreciation expense		-	(340,326)	(343,095)	(463,074)	(1,146,495)
Disposals		-	-	9,677	-	9,677
Balance at 31/03/2011		<u>-</u>	<u>(8,758,418)</u>	<u>(3,901,735)</u>	<u>(3,079,958)</u>	<u>(15,740,111)</u>
Net book value						
As at 1/4/2010		<u>29,565</u>	<u>6,502,304</u>	<u>2,810,857</u>	<u>2,536,793</u>	<u>11,879,519</u>
As at 31/3/2011		<u>29,565</u>	<u>6,493,248</u>	<u>2,581,331</u>	<u>2,771,134</u>	<u>11,875,278</u>

Notes to the Financial Statements for the Financial Year ended 31 March 2011

2010	Land \$	Buildings \$	Showgrounds improvements \$	Plant and equipment \$	Total \$
Gross carrying amount – at cost					
Balance at 1/4/2009	29,565	14,960,672	6,166,598	4,666,958	25,823,793
Additions	-	55,169	225,472	587,769	868,410
Write offs	-	(95,445)	(12,896)	(101,050)	(209,391)
Balance at 31/3/2009	29,565	14,920,396	6,379,174	5,153,677	26,482,812
Accumulated depreciation					
Balance at 1/4/2009	-	(8,126,281)	(3,224,054)	(2,308,575)	(13,658,910)
Write offs	-	94,868	11,679	97,154	203,701
Depreciation expense	-	(386,679)	(355,942)	(405,463)	(1,148,084)
Balance at 31/3/2009	-	(8,418,092)	(3,568,317)	(2,616,884)	(14,603,293)
Net book value					
As at 1/4/2009	29,565	6,834,391	2,942,544	2,358,383	12,164,883
As at 31/3/2010	29,565	6,502,304	2,810,857	2,536,793	11,879,519

Property, plant and equipment is carried at cost. In 2010, the Councillors commissioned a valuation of the land from Landgate (Government of Western Australia) on a "current use land value" basis. Given that the value of Land is significantly above cost no adjustments have been posted to the amounts recorded in the financial statements.

NOTE 8. PAYABLES

	2011 \$	2010 \$
Trade creditors ^(a)	97,521	275,121
Accruals	578,553	600,917
	<u>676,074</u>	<u>876,038</u>

(a) The average payment terms are 30 days. The RAS has policies in place to ensure that all payables are paid within their credit timeframe.

NOTE 9. PROVISIONSCurrent

Employee benefits	432,230	367,243
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Non-Current

Employee benefits	40,651	17,942
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The aggregate amount of employee benefits recorded in the financial statements amounts to:

Employee benefits	472,881	385,185
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NOTE 10. OTHER CURRENT LIABILITIES

	2011	2010
	\$	\$
Income in advance	410,847	332,129

NOTE 11. RELATED PARTY DISCLOSURES

The names of the Councillors of The RAS during the year are shown on page 22 of the Annual Report.

Councillor related entity transactions

During the year financial services were provided to The RAS by Provident Financial Services, a company in which Councillor Paul Carter has an interest. Total costs paid directly or indirectly to Provident Financial Services during the period amounted to \$6,891 (2010: \$6,209).

In addition to the above related entity transactions, certain Councillors were reimbursed for expenses they incurred on behalf of The RAS and certain Councillors received items of a non-monetary nature during the Perth Royal Show.

NOTE 12. KEY MANAGEMENT PERSONNEL COMPENSATION**Details of Key Management Personnel**

Key management personnel consists of the Members of Council – refer to the Members of Council page of the Annual Report as well as the following members of management:

M Molony (Chief Executive Officer)

R Howard (Chief Financial Officer)

K Fuller (Manager - Human Resources)

M Shaddick (Manager - Marketing and Communications)

G Short (Manager - Asset Services)

N Raynor (Manager - Perth Royal Show Sections)

Key Management Personnel Compensation Policy

Members of Council, other than the President who receives a vehicle and telephone, do not receive any compensation.

The nature and amount of compensation the remaining members of the Key Management Personnel receive is approved by Council annually through the budget process. No specific performance based compensation arrangements have been established.

NOTE 13. LEASES**Operating Leases**

Operating leases relate to vehicles with lease terms ranging from 2-3 years and photocopiers with a lease term of 5 years. No formal arrangements exist in regard to purchasing the assets at the expiry of the leases.

Non-cancellable operating lease payments:

Not later than 1 year	47,437	47,437
Later than 1 year, not later than 5 years	68,325	115,762
Total	115,762	163,199

Notes to the Financial Statements for the Financial Year ended 31 March 2011

NOTE 14. NUMBER OF EMPLOYEES

	2011 \$	2010 \$
Number of full time equivalent employees at the end of the financial year	35	35

NOTE 15. NOTES TO THE STATEMENT OF CASH FLOWS

Profit attributable to Members of The RAS	478,499	566,617
Add back non-cash items:		
Depreciation	1,146,495	1,148,084
Interest received	(196,953)	(189,010)
Write off of PP&E	3,323	5,690
Doubtful debts expense	-	7,322
Changes in net assets and liabilities:		
Decrease / (increase) in receivables	40,384	(57,874)
Decrease / (increase) in inventories	(48,990)	(785)
Decrease / (increase) in other current assets	(10,950)	(6,734)
Increase / (decrease) in payables	(199,964)	(66,577)
Increase / (decrease) in provisions	87,696	39,196
Increase in other current liabilities	78,718	(111,733)
Net cash provided by operating activities	1,378,258	1,334,196

Financing Facilities

Financing facilities of \$1,050,000 (2010: \$1,050,000) were available to The RAS as at the end of the financial year. As at balance date \$Nil (2010: \$Nil) of these facilities had been utilised. The facility is secured by a registered mortgage over The RAS' property.

NOTE 16. CONTROLLED ENTITIES

On the 16 March 2011, The Royal Agricultural Society of Western Australia established a separate Trust, called The Royal Agricultural Society of Western Australia Scholarship Fund ("The Trust"). The Trust has been established solely for the purpose of providing money for Eligible Scholarships. As at 31 March 2011, the Trust does not have any assets and has not received any income or incurred an expenditure. The Society controls The Trust through the Trustees. The Trustees of The Trust are the President, Vice President and Treasurer of the Society.

NOTE 17. GROWERS MARKET MATTER

On the 28 March 2011, The Royal Agricultural Society of Western Australia was served with a writ in relation to the Growers Market project. The RAS is vigorously defending the matter.

Council's Declaration

The Council declares that:

As detailed in note 2 to the financial statements, the RAS is not a reporting entity because in the opinion of the Councillors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Councillors' reporting requirements under the Associations Incorporation Act 1987 and the Society's Constitution.

The Council declares that:

(a) in the Councillors' opinion, there are reasonable grounds to believe that The RAS

will be able to pay its debts as and when they become due and payable; and

(b) in the Councillors' opinion, the attached financial statements and notes thereto are in accordance with the Associations Incorporation Act 1987 and the Society's Constitution, including compliance with accounting standards and giving a true and fair view of the financial position and performance of The RAS.

Signed in accordance with a resolution of the Council made pursuant to the Constitution of The RAS.



On behalf of the Council by

Trevor Hoddy, Treasurer

Perth 25 May 2011

Independent Auditor's Report to the members of the Royal Agricultural Society of Western Australia

We have audited the accompanying financial report, being a special purpose financial report, of The Royal Agricultural Society of Western Australia, which comprises the statement of financial position as at 31 March 2011, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council's declaration as set out on pages 27 to 41.

Council's Responsibility for the Financial Report

Council is responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 2, is appropriate to meet the financial reporting requirements of the Royal Agricultural Society of Western Australia's Constitution and is appropriate to meet the needs of the members. Council's responsibility also includes such internal control as Councillors' determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial report.

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

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of The Royal Agricultural Society of Western Australia as at 31 March 2011 and its financial performance for the year then ended in accordance with the financial reporting requirements of the Royal Agricultural Society of Western Australia's Constitution as described in Note 2.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist The Royal Agricultural Society of Western Australia to meet the financial reporting requirements of the Royal Agricultural Society of Western Australia's Constitution. As a result, the financial report may not be suitable for another purpose.



DELOITTE TOUCHE TOHMATSU



Mark Gover

Partner

Chartered Accountants

Perth, 25 May 2011

Smoke Free Perth Royal Show 2010

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The Royal Agricultural Society of WA gratefully acknowledges the supporters of the 2010 Smoke Free Perth Royal Show.

