



ROYAL AGRICULTURAL &
HORTICULTURAL SOCIETY OF
SOUTH AUSTRALIA INCORPORATED



THE SOCIETY

ANNUAL REPORT 2021



contents

<p>3 board our charter</p> <p>4 president's report</p> <p>6 treasurer's report</p> <p>7 financial statements</p>	<p>18 statement by board</p> <p>19 independent audit report</p> <p>20 society governance structure</p>
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Front cover: Adelaide Showground Caravn Park hosting many guests over the past year with great reviews. Below: School students competing in the Merino Wethers Competition 2021.



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board



Andrew M Hardy
President & Trustee



John W Rothwell
Chief Executive



Michael P Siebert
Treasurer



Hamish C Findlay
Council Chairman & Trustee



Belinda A Cay
Council Deputy Chairman



Trevor G James
Trustee



Jock VE Gosse
Trustee



Allan M Piggott



John E Schutz



Richard J McFarlane



Timothy J Donaldson

our charter

The Royal Agricultural & Horticultural Society of South Australia contributes to the promotion and success of South Australia's primary industry through the staging of events and the rewarding of excellence.

- WHAT WE DO -

Promote and direct the Royal Adelaide Show ensuring its continued relevance to both industry and the community; Educate the community about the importance of primary production to the South Australian economy with emphasis on the everyday relationship between what we grow and what we consume; Encourage and recognise excellence in agriculture and horticulture through the staging of competitions, exhibitions and education programs, and Manage a vibrant Showground and event and exhibition business hosting many corporate and public events.

- WE VALUE -

History – We value our historical origins and traditions;
Excellence – A culture of excellence is fostered to recognise the valuable contribution of our members, councillors, volunteers and employees;
Health and Safety – A proactive approach and culture is exercised regarding work health and safety to ensure the wellbeing of employees, public and environment;
Environment – As an environmental leader we strive to minimise the impact of our actions;
Reputation – We value our high standing within the South Australian community and the iconic status of the Royal Adelaide Show;
Sound financial management – In a financially responsible manner we actively manage and develop our portfolio of assets, and
Innovation – We embrace the future and the opportunities it presents.

- WE MEASURE OUR SUCCESS BY -

Competitive entries and attendance at Royal Adelaide Shows;
 The achievements of our event and exhibition business;
 Monitoring our environmental footprint;
 Our financial standards and industry benchmarks, and
 Feedback from members, councillors, volunteers, exhibitors, sponsors, the media and general public.

president's report



Andrew M Hardy, President, RA&HS of SA Inc.

In last year's Annual Report, I commented on the challenging circumstances faced by the Royal Agricultural & Horticultural Society of South Australia (RA&HS) as the organisation weathered the onset of the COVID-19 pandemic and the resultant cancellation of the 2020 Royal Show. Little did we know that another difficult year was on the horizon, arguably more challenging than the previous.

It was devastating having the 2021 Royal Adelaide Show canceled just three weeks before it was due to begin. Much planning, hard work and financial investment had gone into ensuring the 2021 Show would be 'COVID safe', however advice from SA Health regarding the number of patrons that would be allowed on-site made it impossible and unviable to proceed.

It will take many years for the RA&HS to recover from the financial loss of two no-Shows, however the Federal Government's \$25 million national support package for agricultural shows has provided some financial relief. This Government support for the second year in a row is highly valued, not only for the monetary relief it has provided the RA&HS and many other Show Societies, but because it recognises the importance of the agricultural show movement to Australia.

On a brighter note, it was wonderful to see several of our agricultural competitions and events proceed in 2021, including the Junior Heifer Expo, the Grain and Fodder Competition, the Adelaide Ram and Elite Sheep Sales, and the Rural Ambassador and Young Rural Ambassador Awards. A highlight was the Merino SA School Wethers Competition, held on September 8, which attracted 200-plus students from 38 schools, including first-timers Balaklava High School who participated thanks to a scholarship from the Show Society Education Foundation.

The RA&HS continued its support of the State Government's efforts in navigating the COVID-19 pandemic by hosting the state's largest vaccination centre at the Adelaide Showground. The Vaccination Centre grew from occupying the northern end of the Goyder Pavilion to increasing its footprint three-fold over a

matter of months to accommodate the expanding reach of the vaccine programme and the vaccine booster rollout.

Despite the challenges presented by COVID, the Showground managed to host several events in 2021, including the Monster Truck Rumble, BBF HomeBrewed Festival, and the SA Caravan and Camping Expo. The Adelaide Showground also provided an ideal base for cars participating in the Adelaide Rally and continued to host the popular Adelaide Showground Farmers' Market which attracted strong crowds throughout the year.

It was also heartening to see the Royal Adelaide Wine Show go ahead in October, attracting 2,756 entries from over 350 wineries across Australia. Congratulations to all medal and trophy winners, including Bay of Fires Pinot Noir 2020 which made history as the first Pinot Noir to win the Most Outstanding Red Wine in Show trophy.

From an infrastructure perspective, the RA&HS looks forward to the construction of the State Basketball Centre, which will provide a valuable new facility for the Royal Adelaide Show. Funded by a \$15 million investment from the State Government, the Centre will become the headquarters for Adelaide Lightning, Basketball SA, and SA Country Basketball, and will be used by the RA&HS as a multi-purpose event space during the Show, as it currently does the Wayville Sports Centre.

Another 'good news' story for 2021 has been the success of the Adelaide Showground Caravan Park, which exceeded its full-year revenue target. Though the park was closed on August 1 in preparation for the Show, the cancellation of the Show saw the park reopen to visitors on September 10 and, since then, it has been occupied every night.

In late 2021 we farewelled our much-loved patron, former Governor Hieu Van Le and his wife, Mrs Le, who will be remembered for their excellent work in advocating for and promoting the Royal Adelaide Show and Wine Show. I would also like to take this opportunity to welcome the new patron of the RA&HS and Governor of South Australia, Her Excellency the Honourable Frances Adamson AC.

To look to the future, planning for the 2022 Royal Adelaide Show, scheduled for September 3 to 11, is full steam ahead, and we look forward to presenting an exciting and vibrant Show that will be long remembered as South Australia's biggest reunion. Finally, a sincere thank you to all Society staff, councillors, committee members, volunteers and sponsors for their continued support, enthusiasm, and resilience during this difficult time.



Adelaide Showground wowing fans at last years FOFO events over 2 weeks.

Changes to the Society's Council in 2021 include:

THE BOARD:

Resignations:

Rob Hunt

Appointments:

Hamish Findlay Council Chairman & Trustee
Belinda Cay Council Deputy Chairman
Trevor James Trustee
Allan Piggott newly appointed Board Member

EXECUTIVE COMMITTEE:

Resignations:

Felicity Brake
Graham Reu
Bill Seppelt

Appointments:

Graham Brand Greg Follett
Frank Young Andrew R Duncan

COUNCIL:

Resignations:

Trevor James (Pastoral)
Robert Hart (Pastoral)
Pam Seppelt (Art, Craft, Cookery & Technology)
Susie Green (Horticulture)
Dennis Mutton (Agri Food & Commerce)
Warwick Billings (Beer & Cider)
Bill Seppelt (Wine)
Bruce Redpath (Horse)

Appointments:

Brenton Lush (Pastoral)
Lachlan Hart (Pastoral)
Dr Anthony Robinson (Ex-Officio Wine)
Aaron Daniel (Horticulture)

HONORARY COUNCILLORS:

Appointments:

Robert Hart (Pastoral)
Rob Hunt (Horse)
Pam Seppelt (Art, Craft, Cookery & Technology)
Bill Seppelt (Wine)
Dennis Mutton (Agri Food & Commerce)

HONORARY LIFE MEMBER:

Rob Hunt (Horse)
The Honourable Hieu Van Le AC, former Governor and Patron of the Society

LONG SERVING VOLUNTEER AWARDS:

Barry Smith, recommended by the Pastoral Committee

SHOW LEGEND AWARDS:

Jack Condous OAM – Royal Show Art Prize Convenor
Ian Wilson – Agricultural Learning Centre

BEREAVEMENTS

It is with sadness that we record the passing of three of our former councillors during the year; we extend our sincere sympathy to their families.

David Cain – Horticulture Committee (1988 – 2007)
Peter Gill – Agricultural Produce / Grains & Fodder (1971 – 2011)
Robert Hamdorf – Dogs (1998 – 2015)

Andrew M Hardy, President, RA&HS of SA Inc.
Adelaide, 18 March 2022

treasurer's report



Michael P Siebert, Treasurer, RA&HS of SA Inc.

The financial year ended 31 December 2021 provided a second year of significant challenge presented as a result of the COVID-19 global pandemic.

Overall, the Society recorded a loss before depreciation of \$593,003, after recording income from government and other grants of \$860,948.

As a result of government protocols established in response to the COVID-19 global pandemic, Society operations were significantly impacted, with the cancellation of the Royal Adelaide Show and limited events able to be held at the Showground during 2021.

The Society remained eligible for the JobKeeper extension, with funding of \$266,400 recorded in the financial year. Development work on the State Basketball Centre also commenced during 2021 with income of \$594,548 in grant funds provided by Basketball SA Inc to finance the capital costs incurred in 2021.

The Society was also invited to apply for funding under the Federal Government Supporting Agricultural Shows and Field Days Program, Round Two. In February 2022 the application was submitted and it is anticipated funding of approximately \$3million will be secured.

Whilst the Society's main revenue generating activities were limited by the pandemic, the Society was able to continue to host the weekly Adelaide Showground Farmers Market throughout the year. The establishment of the SA Health Vaccine Centre in the Goyder Pavilion in April 21 was also a significant contribution to the Society's revenue. The Adelaide Showground Caravan Park operated for its first full year, having opened in July 2020 with the net contribution from the Caravan Park continuing to grow.

Capital expenditure for the year was limited to essential work, with completion of the temporary stables comprising the majority of capital costs.

The Society's financiers continue to confirm their ongoing support, extending appropriate financing facilities to ensure the organisation will continue to operate viably into the future.

INVESTMENTS

The Society's investment portfolio continued to be affected by the financial uncertainty created by the pandemic. During the year a small number of shares were sold providing proceeds of over \$1million and realising a profit of \$709,027. The Society plans to re-invest the proceeds into the portfolio during 2022.

The Investment Committee met regularly during the year, monitoring the portfolio with advice from Ord Minnett Limited and with the ongoing support of the Society's financiers to maintain the portfolio at this level.

Due to the financial impacts in 2021, the Board determined to continue with the hold on donations of franking credits to the Archives and Education Foundations for the short term. The Foundations have continued to award scholarships and support educational programs financed directly from the Foundations' reserves.

INSURANCE

Whilst premiums for 2021 increased 18% over previous year levels, this was as a function of a continuing hardening in the insurance market, with premium costs for the twelve months of \$627,748.

MANAGEMENT

The Society continues to be committed to sound financial management which allows it to fulfil its Charter and maximise its contribution to the success and promotion of Primary Industries in South Australia through the staging of events and rewarding excellence.

Michael P Siebert, Treasurer, RA&HS of SA Inc.
Adelaide, 18 March 2022

financial statements

Statement of Profit or Loss and other Comprehensive Income For the year ended 31 December 2021

	Notes	Year ended 31/12/2021 \$	Year ended 31/12/2020 \$
Revenue	3	8,678,338	4,070,592
Income from Grants	4	860,948	4,302,575
Other gains and losses	5	8,471	7,084
Administration expenses		(1,444,749)	(1,098,069)
Advertising and promotion expenses		(181,919)	(103,076)
Depreciation expenses		(3,318,612)	(3,152,820)
Employee benefits expense		(4,089,888)	(4,165,241)
Event expenses		(1,942,043)	(865,299)
Finance costs		(265,297)	(355,699)
Maintenance and service of grounds		(1,696,348)	(998,071)
Other expenses		(520,516)	(555,980)
Loss For The Year		(3,911,615)	(2,914,004)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value gains/(losses) on financial assets at fair value through other comprehensive income		705,283	(526,182)
Total other comprehensive income for the year		705,283	(526,182)
Total Comprehensive Income For The Year		(3,206,332)	(3,440,186)

Notes to the financial statements are included on pages 11 to 17

financial statements

Statement of Financial Position As at 31 December 2021

	Notes	As at 31/12/2021 \$	As at 31/12/2020 \$
<i>Current assets</i>			
Cash and bank balances	18	17,875,979	551,753
Trade and other receivables	6	606,957	601,576
Other assets	7	361,434	302,011
Total Current Assets		18,844,370	1,455,340
<i>Non-current assets</i>			
Financial assets	8	8,423,385	8,776,395
Property, plant and equipment	9	87,175,922	88,868,785
Total Non-Current Assets		95,599,307	97,645,180
Total Assets		114,443,677	99,100,520
<i>Current liabilities</i>			
Trade and other payables	10	4,028,607	1,754,983
Other liabilities	11	15,761,616	-
Provisions	13	878,909	842,701
Total Current Liabilities		20,669,132	2,597,684
<i>Non-current liabilities</i>			
Borrowings	12	11,497,207	11,297,117
Other liabilities	14	616,329	316,808
Provisions	13	55,298	76,868
Total Non-Current Liabilities		12,168,834	11,690,793
Total Liabilities		32,837,966	14,288,477
Net Assets		81,605,711	84,812,043
Equity			
Reserves	20	2,358,153	2,362,048
Retained surplus	21	79,247,558	82,449,995
Total Equity		81,605,711	84,812,043

Notes to the financial statements are included on pages 11 to 17

Statement of Cash Flows For the year ended 31 December 2021

	Notes	Year ended 31/12/2021 \$	Year ended 31/12/2020 \$
Cash flows from operating activities			
Receipts from customers		9,711,070	4,458,337
Receipts from Grants		266,400	4,200,275
Receipts from State Basketball Centre funding		17,931,896	-
Payments to suppliers and employees		(10,695,540)	(8,089,449)
Cash generated from operations		17,213,826	569,163
Interest paid		(265,297)	(355,699)
Net cash generated by operating activities	16	16,948,529	213,464
Cash flows from investing activities			
Payments to acquire financial assets		(42,060)	-
Proceeds on disposal of financial assets		1,100,353	2,789
Interest received		-	116
Dividends received		734,592	426,117
Payments for property, plant and equipment	9	(1,641,369)	(1,093,856)
Proceeds from disposal of property, plant and equipment		24,091	34,266
Net cash generated by/(used in) investing activities		175,607	(630,568)
Cash flows from financing activities			
Proceeds from borrowings		4,900,090	2,750,070
Repayment of borrowings		(4,700,000)	(2,000,000)
Net cash generated by financing activities		200,090	750,070
Net increase in cash and cash equivalents		17,324,226	332,966
Cash and cash equivalents at beginning of the year		551,753	218,787
Cash and cash equivalents at end of the year	18	17,875,979	551,753

Notes to the financial statements are included on pages 11 to 17

financial statements

Statement of Changes in Equity

For the year ended 31 December 2021

	Notes	Retained Earnings	Financial Assets Reserve	Donations & Bequests Reserve	Total Equity
As At 31 December 2019		85,363,376	2,774,709	114,144	88,252,229
Loss for the year	21	(2,914,004)	-	-	(2,914,004)
Other comprehensive income		-	(526,182)	-	(526,182)
Transfer – profit on disposal of financial assets at fair value through other comprehensive income	20	2,789	(2,789)	-	-
Transfer – Donations & Bequests	20	(2,166)	-	2,166	-
As At 31 December 2020		82,449,995	2,245,738	116,310	84,812,043
Loss for the year	21	(3,911,615)	-	-	(3,911,615)
Other comprehensive income			705,283	-	705,283
Transfer – profit on disposal of financial assets at fair value through other comprehensive income	20	709,027	(709,027)	-	-
Transfer – Donations & Bequests	20	151	-	(151)	-
As At 31 December 2021		79,247,558	2,241,994	116,159	81,605,711

Notes to the financial statements are included on pages 11 to 17

financial statements

Notes to the financial statements

For the year ended 31 December 2021

1. Significant Accounting Policies

1.1 Financial Reporting Framework

The Royal Agricultural & Horticultural Society of SA Inc. (Society) is not a reporting entity because in the opinion of the Board 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 Board's reporting requirements under the Australian Charities and Not-for-profits Commission Act 2012.

For the purpose of preparing the financial statements the Society is a not-for-profit entity.

1.2 Statement of Compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012*, the basis of accounting 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*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031: *Materiality*, AASB1048: *Interpretation of Standards and AASB 1054: Australian Additional Disclosures*.

1.3 Basis of Preparation

The financial report has been prepared on the basis of historical cost, except for certain non-current assets that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Adoption of new and revised Accounting Standards

The Society has adopted new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), that are relevant to its operations and effective for the current annual reporting period.

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

a) Borrowings

Commercial Bills are recorded at an amount equal to the gross proceeds received. Interest expense is recognised on an accrual basis. Ancillary costs incurred in connection with the arrangement of borrowings are deferred and amortised over the period of borrowing. Commercial Bills, where the facility term is greater than twelve months and that are due to be repaid within the next twelve months, but that will be rolled over at the discretion of the Society, are considered to form part of the Society's long term financing and are recognised as non-current. Borrowing costs are recognised in profit or loss in the period in which they are incurred.

b) Employee benefits

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 of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Society in respect of services provided by employees up to reporting date.

c) Financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value, net of transaction costs.

Financial assets at fair value through profit or loss
The Society has classified certain shares as financial assets at fair value through other comprehensive income. The financial asset is managed and its performance is evaluated on a fair value basis, in accordance with the Society's investment strategy and information is provided internally on that basis.

Financial assets at fair value through other comprehensive income are stated at fair value, with any gains or losses arising on remeasurement recognised in other comprehensive income. When an equity investment at fair value through other comprehensive income has a gain or loss previously recognised in other comprehensive income, it is not reclassified to profit or loss. Fair value is determined in the manner described below.

Fair value of financial assets

The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market price.

d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive 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 within operating cash flows.

e) Impairment of assets

At the end of each reporting period, the Society reviews the carrying amounts of its tangible assets to determine whether there is any indication that those 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 loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Society 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 value in use. 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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

f) Income Tax

The Society is exempt from Income Tax.

g) Leases

Society as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Society as lessee

Right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. A depreciation charge is incurred for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs).

The Society has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to the profit or loss as incurred. The Society has also elected not to recognise a right-of-use asset at fair value for peppercorn leases. Further information on this lease is disclosed at note 19.

h) Life Membership

The Society receives subscriptions from Life Members in full and recognises subscription income over a ten year period. The unearned portion of Life Membership income is recorded as a non-current liability.

i) Property, plant and equipment

Property, leasehold improvements, plant and equipment are measured at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. Depreciation is provided on property, plant and equipment, including freehold buildings but excluding freehold land.

Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Buildings.....	20 to 50 years
Leasehold improvements	10 to 50 years
Plant and equipment.....	3 to 50 years

There were no changes to residual values of existing property.

Assets acquired through capital grants are recognised at fair value, with applicable income recognised in profit and loss as costs are incurred and the capital asset is recorded.

j) Provisions

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that the Society will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

k) Receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'. Receivables are measured at amortised cost using the effective interest method, less any impairment.

l) Revenue Recognition

Revenue is recognised at an amount that reflects the consideration to which the Society is expected to be entitled in exchange for transferring goods or services to a customer.

Rendering of Services, including events

Revenue from rendering services is recognised over time as the services are rendered and the performance obligation is satisfied, or the point in time at which the event is held. Royal Show gate revenue is recognised at the point in time when the Show is held.

Sponsorship and prizes

Income from sponsorships is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividend and Interest revenue

Dividend income from investments is recognised when the Society's right to receive payment has been established. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate.

Donations and Bequests

Donations and bequests, including cash and assets, are recognised immediately as income when: the asset is received in a transaction; there has been no consideration transferred or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the Society to further its objectives.

Grants

Grant revenue is recognised in profit or loss when the Society satisfies the performance obligations related to the particular funding arrangement or agreement. If conditions are attached to the grant which must be satisfied before the Society has the right to retain the contribution, the grant will be recognised in the statement of financial position as a liability until the relevant conditions are satisfied.

m) Trade & other payables

Trade payables and other accounts payable are recognised when the Society becomes obliged to make future payments resulting from the purchase of goods and services.

n) Reserves

Trust and Bequest Funds

This reserve comprises balances of cash held in the bequests and prizes funds. Movement in the funds is represented by interest earned, payments of prizes and utilisation of bequests funds.

Financial Asset Reserve

The financial assets reserve records revaluation increments and decrements that relate to financial assets that are classified as fair value through other comprehensive income.

2. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Society's accounting policies, which are described in note 1, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ 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.

Judgments made by management in the application of the Society's accounting policies that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

COVID-19

As a result of government protocols and policies established as a result of the COVID-19 global pandemic, this resulted in the following impact to the Society operations:

- The 2021 Royal Adelaide Show was cancelled.
- Limited events were able to be held during 2021.
- The Society applied for, and was eligible for, the JobKeeper extension.

Whilst the Society's revenue generating activities were severely impacted by the pandemic, the Society was able to continue to operate. Processes were put in place to manage expenses, and the Society's financiers confirmed their support through the establishment of appropriate funding facilities to ensure the Society will continue to operate into the future.

Where required management has reviewed estimates and assumptions regarding the carrying amount of assets and liabilities with reference to the above. COVID-19 has not affected the measurement or recognition of material income or expenditure items. Financial assets are recorded at fair value.

financial statements

3. Revenue

The following is an analysis of the Society's revenue for the year from continuing operations, including investment income.

	31/12/2021 \$	31/12/2020 \$
Exhibition space rental & selling rights	4,431,012	1,430,705
Royal Show space rental, selling rights etc	-	-
Royal Show ticket sales	-	-
Competitive entry fees & related charges	511,651	385,398
Catering & car parking	1,429,069	744,278
Rental income & electrical charges -property	598,520	474,247
Caravan Park rental income	363,678	91,128
Sponsorship & prizes	235,147	195,520
Interest received	-	116
Dividends received	734,592	426,117
Advertising Income	5,876	22,600
Other	368,793	300,483
	<u>8,678,338</u>	<u>4,070,592</u>

4. Income from Grants

	31/12/2021 \$	31/12/2020 \$
Federal Government:		
Boosting Cashflows for Employers Stimulus Package	-	100,000
Supporting Agricultural Shows Grant Program	-	2,504,175
JobKeeper Wage Subsidy Scheme	266,400	1,298,400
State Government:		
Community and Jobs Support Fund	-	400,000
Other:		
State Basketball Centre Capital Project (Refer Note 11)	594,548	-
	<u>860,948</u>	<u>4,302,575</u>

5. Other gains and losses

	31/12/2021 \$	31/12/2020 \$
Gain on disposal of property, plant and equipment	8,471	7,084
	<u>8,471</u>	<u>7,084</u>

6. Trade and other receivables

	31/12/2021 \$	31/12/2020 \$
Trade receivables	153,072	317,242
Provision for impairment	(6,812)	(48,364)
	<u>146,260</u>	<u>268,878</u>
Goods and services tax (GST) recoverable	75,778	93,054
Dividend Imputation Credits receivable	266,841	62,556
Government Grant receivable	-	102,300
Other	118,078	74,788
	<u>606,957</u>	<u>601,576</u>

Impairment of trade receivables

Provision for impairment of trade receivables are measured at an amount equal to the lifetime expected credit losses based on estimated irrecoverable amounts determined by reference to reasons behind default, past default experience of the counterparty and an analysis of the counterparty's current financial position.

7. Other current assets

	31/12/2021 \$	31/12/2020 \$
Prepayments	247,594	219,411
Other	113,840	82,600
	<u>361,434</u>	<u>302,011</u>

8. Non-current financial assets

	31/12/2021 \$	31/12/2020 \$
Quoted investments carried at fair value	8,423,385	8,776,395

Quoted investments are held for long term value appreciation as an informal security against adverse Royal Show event conditions.

Investment selection criteria focuses on stability and long term growth, with dividend income generally reinvested each year. The Society seeks advice from independent professional advisors prior to acquisitions. If the level of investment held is considered to be greater than that considered necessary to support the Society in the event of adverse conditions constraining operations, then funds may be invested in capital development projects.

9. Property, plant and equipment

	31/12/2021 \$	31/12/2020 \$
<i>At carrying amount:</i>		
Freehold land and buildings	24,613,292	24,738,154
Leasehold improvements	53,669,182	55,277,002
Plant and equipment	8,893,448	8,853,629
	<u>87,175,922</u>	<u>88,868,785</u>

	Freehold land & buildings	Leasehold improvements	Plant & equipment	Total
<i>Cost</i>				
Balance at 31 December 2020	25,351,921	95,339,677	24,413,969	145,105,567
Additions	13,926	700,213	927,230	1,641,369
Disposals	-	-	(67,907)	(67,907)
Balance at 31 December 2021	<u>25,365,847</u>	<u>96,039,890</u>	<u>25,273,292</u>	<u>146,679,029</u>

	Freehold land & buildings	Leasehold improvements	Plant & equipment	Total
<i>Accumulated depreciation</i>				
Balance at 31 December 2020	(613,767)	(40,062,675)	(15,560,340)	(56,236,782)
Depreciation expense	(138,788)	(2,308,033)	(871,791)	(3,318,612)
Elimination on disposal of assets	-	-	52,287	52,287
Balance at 31 December 2021	<u>(752,255)</u>	<u>(42,370,708)</u>	<u>(16,379,844)</u>	<u>(59,503,107)</u>

Certain freehold land and buildings have been pledged to secure borrowings of the Society. The Society is not allowed to pledge these assets as security for other borrowings or to sell them to another entity without prior consent of the lender.

Included in additions to property, plant and equipment for the year are leasehold improvements to the value of \$594,548 relating to commencement of construction of the State Basketball Centre as detailed in Note 11.

10. Trade and other payables

	31/12/2021 \$	31/12/2020 \$
Trade payables	697,695	646,513
Goods and Services Tax (GST) payable	1,665,172	35,849
Other	1,665,530	1,072,621
	<u>4,028,607</u>	<u>1,754,983</u>

The Society has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

11. Other Liabilities

	31/12/2021 \$	31/12/2020 \$
State Basketball Centre Project	\$15,761,616	-

A capital development project commenced during 2021 for construction of a State Basketball Centre on Society leasehold land with funding sourced by Basketball SA Inc. ("BSA"). The project will be funded by a grant secured by BSA of \$15,800,000 through the Office of Recreation, Sport and Racing ("ORSR"), \$556,269 provided directly by BSA and \$134,050 to be contributed by the Society. Under a Development Agreement signed in 2021, the Society will oversee services in relation to the project.

Funds provided to finance this project are held in a separate Project Bank Account controlled by the Society with a corresponding liability recognised for funds provided through BSA and unutilised at 31 December 2021.

The Society will own the building, be the lessor and be responsible for major maintenance and capital works, therefore the building will be recorded as an asset in accordance with requirements under relevant accounting standards.

As at 31 December 2021, capital costs of \$ 594,548 have been incurred and recognised within Leasehold Improvements in property plant and equipment (Note 9), with the equivalent value recognised as income in the Statement of Profit and Loss (Note 4).

Cash in bank held at 31 December 2021 in relation to the capital development is \$17,337,242 (Note 18) comprising \$15,761,616 recognised as a liability to the project as above and \$1,575,627 recognised in GST liability (Note 10).

financial statements

12. Non-current borrowings

	31/12/2021 \$	31/12/2020 \$
<i>Secured</i>		
Bank finance facility	11,497,207	11,297,117

Secured by a mortgage over certain of the Society's freehold land and buildings (see note 9). The weighted average effective interest rate on the facility is 2.72% per annum (2020: 3.18%)

13. Provisions

Employee benefits	934,207	919,569
Current	878,909	842,701
Non-current	55,298	76,868
	934,207	919,569

14. Other non-current liabilities

Life memberships	116,329	116,808
Other payables	500,000	200,000
	616,329	316,808

15. Financing facilities

Secured bank finance facility		
- Used	11,497,207	11,297,117
- Unused	8,502,793	8,702,883
	20,000,000	20,000,000

16. Cash flow information

Reconciliation of cash flows from operating activities with net current year loss.

	31/12/2021 \$	31/12/2020 \$
Net current year loss	(3,911,615)	(2,914,004)
Adjusted for:		
Depreciation	3,318,612	3,152,820
Provision for doubtful debt	(41,552)	18,722
Gain on disposal of property	(8,471)	(7,084)
Interest received	-	(116)
Dividend Income	(734,592)	(426,117)
Grant Income	(594,548)	-
Receipts from State Basketball Centre funding	17,931,896	-
Movements in working capital:		
Decrease in accounts receivable and other debtors	36,171	880,222
Increase in prepayments and other assets	(59,423)	(15,568)
Increase/(decrease) in trade and other payables	997,413	(367,644)
Increase/(decrease) in provisions	14,638	(107,767)
Balance at end of financial year	16,948,529	213,464

17. Related party transactions

Transactions between the Society and Board member related entities are trivial in nature and occur within normal customer/supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect would have been adopted if dealing at arm's length in the same circumstances.

Members of the Board act in an honorary capacity and receive no remuneration or benefits from the Society for acting in that capacity. Employees involved in the management of the Society are remunerated on bases determined by relevant workplace agreements and/or industrial awards or commensurate with the duties and responsibilities required of the individual positions as approved by the Board.

18. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks.

Capital Project Bank Account (Note 11)	17,337,242	-
Other cash and cash equivalents	538,737	551,753
Balance at end of financial year	17,875,979	551,753

19. Peppercorn leases

The Society as lessee

The part of the Adelaide Showground, which is not held freehold by the Society, is subject to an operating lease at \$1 per annum until 24 March 2062. The Society does not have an option to purchase the leased asset at the expiry of the lease period.

20. Reserves

	31/12/2021 \$	31/12/2020 \$
Financial assets reserve	2,241,994	2,245,738
Donations and bequests reserve	116,159	116,310
	2,358,153	2,362,048

Financial assets reserve

Balance at beginning of financial year	2,245,738	2,774,709
Gains/(losses) on fair value of financial assets	705,283	(526,182)
Transfer gains on disposal of financial assets at fair value through other comprehensive income	(709,027)	(2,789)
Balance at end of financial year	2,241,994	2,245,738

Donations and bequests reserve

Balance at beginning of financial year	116,310	114,144
Interest earned	105	925
Expenses paid out	(41)	(259)
Donations and bequests received/transferred	(215)	1,500
Balance at end of financial year	116,159	116,310

21. Retained surplus

Balance at beginning of financial year	82,449,995	85,363,376
Loss for the year	(3,911,615)	(2,914,004)
Transfer from reserves	709,178	623
Balance at end of financial year	79,247,558	82,449,995

22. Remuneration of auditors

Audit of the financial report	18,000	15,500
Other advisory services	-	3,178
	18,000	18,678

23. Capital expenditure commitments

	31/12/2021 \$	31/12/2020 \$
<i>Not later than 1 year</i>		
Leasehold Improvements	14,087,540	790,064

24. Contingent liabilities

The Society is not aware of any liability of a material nature that has not been provided for in preparation of the financial report.

25. Foundations

The Society operates two foundations.

Royal Agricultural & Horticultural Archives Foundation of South Australia Incorporated has been registered as a Tax Exempt Charity and Deductible Gift Recipient for Income Tax purposes. During the year ended 31 December 2021, the Archives Foundation generated total revenue of \$64,026 and, after deducting operating expenses, reported a net surplus of \$68,610 which will be applied to future projects of the Archives.

Royal Agricultural & Horticultural Education Foundation of South Australia Incorporated has been self assessed as Income Tax Exempt. During the year ended 31 December 2021, the Education Foundation generated total revenue of \$38,671. After providing educational scholarships of \$59,636 reported a net surplus of \$15,616.

The Society also created a Trust Deed for Royal Agricultural & Horticultural Scholarship Fund which has been registered as a Tax Exempt Charity and Deductible Gift Recipient for Income Tax purposes. During the year ended 31 December 2021, the Scholarship Fund generated total revenue of \$40,034 including \$40,026 in tax deductible donations. After providing educational scholarships of \$8,000, the fund reported a net surplus after payment of scholarships of \$32,034. The balance of funds will be consolidated with future revenues and applied to scholarships for prescribed educational courses relating to agriculture, pastoral, horticulture or related industries.

board declaration

The Board of the Royal Agricultural & Horticultural Society of South Australia Inc. declare that in the Board's opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Andrew Hardy, *President, RA&HS of SA Inc.*
Adelaide, 18 March 2022



Michael Siebert, *Treasurer, RA&HS of SA Inc.*
Adelaide, 18 March 2022

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE ROYAL AGRICULTURAL AND HORTICULTURAL SOCIETY OF SOUTH AUSTRALIA INC

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Royal Agricultural & Horticultural Society of SA Inc. (the registered entity), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the board declaration.

In our opinion the accompanying financial report of the Royal Agricultural & Horticultural Society of SA Inc., is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- Giving a true and fair view of the registered entity's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (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 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

Those charged with governance are responsible for the other information. The other information comprises information included in the registered entity's annual report, for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

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 on the other information obtained prior to the date of this auditor's report, 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 registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act. The board's responsibility also includes such internal control as the board determine is necessary to enable the preparation of a 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 are responsible for assessing the registered entity'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 registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: <http://www.auasb.gov.au/auditors/responsibilities/ar4.pdf>

This description forms part of our auditor's report.



BDO Audit Pty Ltd



G K Edwards
Director
Adelaide, 18 March 2022

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society governance structure

PATRON

Her Excellency, the Honourable Frances Adams AC - GOVERNOR OF SOUTH AUSTRALIA

BOARD

Andrew M Hardy - PRESIDENT & TRUSTEE	Michael P Siebert - TREASURER	Tim J Donaldson	John E Schutz
Hamish C Findlay - COUNCIL CHAIRMAN & TRUSTEE	Jock VE Gosse - TRUSTEE	Richard J McFarlane	
Belinda A Cay - COUNCIL DEPUTY CHAIRMAN	Trevor G James - TRUSTEE	Allan M Piggott	

CHIEF EXECUTIVE

John W Rothwell

EXECUTIVE COMMITTEE - INC. BOARD

Graham Brand	Matt LJ Cooper	Andrew R Duncan	Nicola Feeny	Graeme P Hyde	Francis J McEvoy	Frank Young
Tim SG Buxton	Tim J Donaldson	Simon J Fahey	Gregg Follett	Trevor W Linke	Allan M Piggott	

COUNCIL

Thomas E Ashby	Fiona L Donald	Matthew N Hill Smith	Karen McIntyre*	David R Shannon
Tom RS Baker	Timothy J Donaldson	David J Hubbard	Joy Middleton	Emma K Shaw
Claire A Bennett	Brett Draper	Graeme P Hyde	Sid G Nicholls	Todd L Shone
Michael C Blenkiron	Andrew R Duncan	Tony T Jones	Boyd C Octoman	Michael P Siebert
Felicity A Brake	Peter J Elkin	Peter Karytinios	Grant Octoman	Peter P Smith
Graham R Brand	Simon J Fahey	Sean J Kay	Gino Pacitti	Robert L Snewin
Bob W Burdon	Peter T Fanning	Greg A Klatt	Mandy S Pacitti	Karen D Stables
Adrian G Burgess	Nicola Feeny	Carol Knezevic	Brian Parker*	Lynne M Stapylton
Bill R Burgess	Anne Fletcher	Janet Kuys	Allan M Piggott	Christopher J Thompson
Robert J Butler	Greg Follett	Kate J Laurie	Ray Pincombe	A Nicholas Wadlow
Peter O Button	Chris W Francis*	Colin W Lessue	Kerry Porter*	Alister AT Walsh
Tim SG Buxton	Mike D Fullgrabe	Rex L Liebelt	Allan Potter, FCA	Cheryl K Wandel
Trevor Camac *	Michael C Gale	Cheryl L Liebich	Shane FJ Reidy	Helen M Wells
Michael B Camac	Peter W Godden	Trevor W Linke	J William Richards	Damian P Wilson
Vido Cappelletto *	Jock VE Gosse	Mark Llewellyn	Dr Anthony L Robinson	Neil S Wittwer
Belinda A Cay	Jonathan S Hall	Andrew J Lock	William J Rowett	Frank J Young
Matt LJ Cooper	Neville M Hallion	Brenton J Lush	Nick L Ryan	John F Ziesing
David H Copping	Andrew M Hardy	Brian W Mahomet	Susan J Ryan	
Aaron S Daniel	Lachlan H Hart	Francis J McEvoy	Catherine J Sayer*	
Lachlan J Day	Richard F Haynes	Richard J McFarlane	John E Schutz	
Mark J Doecke*	Andrew R Hentschke	Elizabeth M McGee	Edward D Scott	* Ex-Officio

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Gary T Campbell, AM	Walter H Duncan	Richard T Walsh, AM	The Hon Marjorie Jackson-Nelson, AC, CVO, MBE	The Hon Rear Admiral Kevin Scarce, AC, CSC, RANR
Charles M Downer	Richard W Fewster	Phillip E Withers	The Hon Nicholas H Minchin, AO,	The Hon Hieu Van Le, AC,
Jock G Duncan, AM	Robert J Hunt		The Hon Sir Eric J Neal, AC, CVO,	

HONORARY COUNCILLORS

Brian TM Ashby	Ian B Digby	Leith C Jenkins, OAM	Dean M Pettman	Paul GC Smith
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Howard J Bone	Richard G Fishlock	Bruce McFarlane, AM	Gary Schulz, OAM	Glenys R White
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