



ROYAL AGRICULTURAL &
HORTICULTURAL SOCIETY OF
SOUTH AUSTRALIA INCORPORATED

THE SOCIETY

ANNUAL REPORT



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Front cover: 'Olivia Baker, from Woonallee Simmentals, with her winning bull'



Royal Agricultural & Horticultural Society of South Australia Incorporated

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Board



Andrew M Hardy
President & Trustee



William M Rayner
Chief Executive Officer



Michael P Siebert
Treasurer



Hamish C Findlay
Council Chairman & Trustee



Belinda A Cay
Council Deputy Chairman & Trustee



Jock VE Gosse
Trustee



John E Schutz



Allan M Piggott



Timothy J Donaldson



Richard J McFarlane

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;

Inform 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;

Manage a vibrant Showground in its various forms including events and exhibitions, corporate and public events, provision of services and

Encourage and support young South Australians considering and undertaking career development in Primary Industries.

We value

History – We value our historical origins and traditions;

Our People – We acknowledge the valuable service of our members, councillors, volunteers and employees;

Excellence – A culture of excellence, fairness, honesty and integrity is encouraged in competitions staged by the Society;

Health and Safety – A proactive approach and culture is exercised regarding work health and safety to ensure the wellbeing of employees, public, animals 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 general 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



The Royal Adelaide Show proved to be a happy and healthy event in 2023. The attendance and the atmosphere of this year's event demonstrated the significance of this event for all South Australians, despite a severe weather warning and cost-of-living pressures.

Our focus, as always, was on hosting a world-class Show, that provided great value for money. In 2023 we spent considerable effort promoting our '100 free things to do' list which was well-received by our media partners and customers alike, with participation in some of the free activities breaking records.

The Farmyard Nursery was a favourite among the free activities, along with the brand-new activation, Aggie's Farm. The latter took children through activity stations at a kid-sized working farm, teaching them about agriculture from 'crop to shop'. It was a huge success, with about 100,000 people coming through.

The Learning Centre had its most successful year to date, with about 200,000 visitors through its doors across the nine days. The participation and enthusiasm in this pavilion was a joy to witness. This attraction is run by Urrbrae Agriculture Highschool students and provided a hands-on learning experience for students as well as Show-goers. It's a privilege for the Society to provide a platform for students to develop their skills and confidence, while gaining practical experience.

Competitions overall were a resounding success, with a number of categories such as Cookery, Beef Cattle, Dogs, Dairy Cattle, Horses-in-Action, Horticulture, all fielding increased entries. Some contests, like the led steers, had their best year on record. The dedication and effort from our committees were instrumental in maintaining the integrity of the Royal Adelaide Show competitions.

Importantly, we had a safe Show overall, with numerous positive outcomes during the event. Emergency service stakeholders gave encouraging feedback on the Show's planning and coordination. Work, health and safety inductions also increased by 32% – a big thank you to our exhibitors for their participation in this vital process.

Looking ahead to the 2024 event, planning is well underway, and we're preparing to offer more – and improved – member experiences.

From a Society standpoint, much work is being done behind the scenes on our masterplan – a vital piece of work that will help propel the Society into the future, preparing it for challenges and growth ahead.

Included in this is a staff accommodation consolidation project, which will bring staff together, from across three offices, to create a more efficient, collaborative working environment.

A year into the role, our Head of People and Culture, Vanessa Hoey, also continues to work on modernising the organisation, with an employee attraction and retention strategy. This includes implementing new policies regarding flexible working arrangements, maternity/paternity leave, and training and development plans. These policies and benefits will assist in making us an employer of choice in a competitive hiring market.

Mark McKay has also joined the executive team as the Head of Strategy, bringing with him a keen business and finance acumen, and experience in managing complex projects with various stakeholders.

He's taken immediate responsibility for our masterplan and staff accommodation projects, as well as bringing valuable skills and resources to our commercial teams (in sales and finance) and other strategic projects.

In events, 2023 was a solid year at the Adelaide Showground, with revenue from catering and parking increasing.

Excitingly, in 2024, we look forward to welcoming the Cirque du Soleil, with the world-renowned circus act, making use of the multipurpose site which serves as our Caravan Park and Horse stables, for the first time.

Finally, I wish to thank our members and our army of volunteers who make our organisation what it is and our events so successful. I'd also like to extend my gratitude to our hardworking and dedicated staff who work so hard all through the year. I look forward to another successful year at the RA&HS

A handwritten signature in black ink that reads "Andrew Hardy". The signature is fluid and cursive, with a large, sweeping flourish at the end of the name.

Andrew M Hardy, President, RA&HS of SA Inc.
Adelaide, 15 March 2024



Aerial view of the Showground during the Royal Adelaide Show



The judging ring in action for the first time



Volunteers on hand at Aggie's Farm



Urrbrae students leading the baby animal feeding demonstration



Non-stop free entertainment for all ages



Brand new State Basketball Centre is now in full operation

Changes to the Society's Council in 2023 include:

THE BOARD:

EXECUTIVE COMMITTEE:

COUNCIL:

Resignations:

Jose Gil	(Horticulture)
Peter W Godden	(Wine)
Bob (RL) Snewin	(Dairy Products)
Amy Sajinovich	(Dairy Products)
Catherine Sayer*	(Agri Food & Commerce)
Sean Parsonage*	(Horticulture)
Shane Reidy	(Art, Craft, Cookery & Technology)
Trevor Linke	(Diverse Farming)
Joy Middleton	(Art, Craft, Cookery & Technology)

Appointments:

Grant Piggott*	(Horticulture)
Emma Wood	(Wine)
Kim Sparks	(Dairy Products)
Amy Sajinovich	(Dairy Products)
Marni Cook*	(Agri Food & Commerce)
Vido Cappelletto*	(Horticulture)
Brenton Schiller	(Dairy Cattle & Pigs)
Carolyn Johnson	(Diverse Farming & Art, Craft, Cookery & Technology)
Catherine Evans	(Diverse Farming)

HONORARY COUNCILLORS:

Appointments:

Bob Snewin	(Dairy Products)
Trevor Linke	(Diverse Farming)
Joy Middleton	(Art, Craft, Cookery & Technology)

HONORARY LIFE MEMBER:

Appointments:

James W Young	(Beef Cattle)
Bruce F McFarlane AM	(Agri Food & Commerce)
Robert R Hart	(Pastoral)
Trevor G James	(Pastoral)

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.

Chris Francis (Ex-Officio Diverse Farming 2016 – 2023)

David Murphy (Woodchopping 2015 – 2018)

James Young (Beef Cattle 1988 – 2010)

* Ex-Officio



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

The Society's 2023 financial result reflected the impact of cost-of-living pressures on our clientele base, with higher interest rates and inflationary cost increases clearly affecting attendance at the Show.

Overall, the Society recorded a statutory profit of \$7,796,261, which included funds received from the Office of Recreation, Sport and Racing ("ORSR") to fund the development of a State Basketball Centre on Society leasehold land. Once these one-off benefits are taken into account, the Society recorded strong positive operating cash-flow with both the Royal Adelaide Show and our external events businesses performing solidly.

Operating profit for the year reflects revenue from the Royal Adelaide Show and external events accounting for 68% and 21% of total income respectively. Whilst attendance at the 2023 Royal Adelaide Show was below the five year average, length of stay continued to be strong. This was reflected in a strong spend per head for food and beverage. However spend within carnival remained flat with showbag sales also below expectations.

The current year result has provided a positive cash flow from operating activities as set out in the financial statements. Net cash outflows from investing activities during the year reflects the cash flow impact of the completion of the State Basketball Centre in August (paid for by funds received from ORSR in 2021).

In addition to the State Basketball Centre referred above, the acquisition of 70 Goodwood Rd accounted for the majority of capital expenditure for the year. The property is currently tenanted and further builds on the Society's current investment property portfolio with the majority of freehold land on the boundary of the Showground leasehold land now held by the Society.

The Society continues to operate with a conservative balance sheet setting, and maintains strong support from its financiers.

INVESTMENTS

Management of the Society's investment portfolio was transferred to an independent professional advisor during 2022. The advisors continue to diversify the portfolio whilst following a conservative exposure approach consistent with the Society's investment strategy, considering both long term capital growth and dividend income.

INSURANCE

Premiums for 2023 increased 30% over previous year levels with premium costs for the twelve months of \$935,861. This increase was primarily within the property (ISR) policy and public liability policy. ISR policy rates were impacted by recent natural disasters, with public liability rates reflecting the perceived risks associated with large events. These factors together with ongoing cost pressures being felt across the insurance industry have culminated in significant premium increases in 2023.

MANAGEMENT

The Society continues to be managed using sound financial strategies that reflect the low-risk appetite of the Board and its Members. This allows the Society to fulfill 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.

A handwritten signature in black ink, appearing to read 'M Siebert', written in a cursive style.

Michael P Siebert, Treasurer, RA&HS of SA Inc.
Adelaide, 15 March 2024

Financial statements

Statement of Profit or Loss and other Comprehensive Income For the year ended 31 December 2023

	<u>Notes</u>	<u>Year ended</u> <u>31/12/2023</u> \$	<u>Year ended</u> <u>31/12/2022</u> \$
Revenue	3	22,489,789	24,789,983
Income from Grants	4	10,263,844	8,772,562
Other gains and losses	5	24,366	68,114
Administration expenses		(2,943,568)	(1,986,197)
Advertising and promotion expenses		(583,605)	(464,191)
Depreciation expenses		(3,694,039)	(3,392,994)
Employee benefits expense		(5,251,124)	(4,961,575)
Event expenses		(8,313,955)	(8,498,240)
Finance costs		(665,107)	(276,767)
Maintenance and service of grounds		(2,706,178)	(2,837,223)
Other expenses		(824,162)	(819,324)
Profit For The Year		7,796,261	10,394,148
<i>Other comprehensive income</i>			
<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		778,626	(198,542)
Total other comprehensive income for the year		778,626	(198,542)
Total Comprehensive Income For The Year		8,574,887	10,195,606

Notes to the financial statements are included on pages 12 to 18

Financial statements

Statement of Financial Position As at 31 December 2023

	Notes	<u>As at</u> <u>31/12/2023</u> \$	<u>As at</u> <u>31/12/2022</u> \$
<i>Current assets</i>			
Cash and bank balances	18	1,343,418	11,326,249
Trade and other receivables	6	633,334	1,221,510
Other assets	7	404,658	277,566
Total Current Assets		2,381,410	12,825,325
<i>Non-current assets</i>			
Financial assets	8	9,889,125	9,148,151
Property, plant and equipment	9	102,334,223	90,008,920
Total Non-Current Assets		112,223,348	99,157,071
Total Assets		114,604,758	111,982,396
<i>Current liabilities</i>			
Trade and other payables	10	2,026,189	1,954,736
Other liabilities	11	9,092	10,197,053
Provisions	13	768,052	863,872
Total Current Liabilities		2,803,333	13,015,661
<i>Non-current liabilities</i>			
Borrowings	12	10,997,387	6,747,307
Other liabilities	14	358,005	348,040
Provisions	13	69,829	70,071
Total Non-Current Liabilities		11,425,221	7,165,418
Total Liabilities		14,228,554	20,181,079
Net Assets		100,376,204	91,801,317
Equity			
Reserves	20	1,476,683	1,155,005
Retained surplus	21	98,899,521	90,646,312
Total Equity		100,376,204	91,801,317

Notes to the financial statements are included on pages 12 to 18

Financial statements

Statement of Cash Flows For the year ended 31 December 2023

	<u>Notes</u>	<u>Year ended</u> <u>31/12/2023</u> \$	<u>Year ended</u> <u>31/12/2022</u> \$
Cash flows from operating activities			
Receipts from customers		24,083,381	21,788,671
Receipts from Government Grants		-	3,708,254
Payments to suppliers and employees		(22,172,822)	(20,563,789)
Cash generated from operations		1,910,559	4,933,136
Interest paid		(665,107)	(276,767)
Net cash generated by operating activities	16	1,245,452	4,656,369
Cash flows from investing activities			
Payments to acquire financial assets		(2,027,397)	(4,992,276)
Proceeds on disposal of financial assets		2,055,056	4,084,159
Interest received		12,400	5,432
Dividends received		466,561	619,554
Payments for property, plant and equipment	9	(16,158,983)	(6,260,068)
Proceeds from disposal of property, plant and equipment		174,000	87,000
Net cash (used in) investing activities		(15,478,363)	(6,456,199)
Cash flows from financing activities			
Proceeds from borrowings		8,000,080	6,150,100
Repayment of borrowings		(3,750,000)	(10,900,000)
Net cash generated by /(used in) financing activities		4,250,080	(4,749,900)
Net decrease in cash and cash equivalents		(9,982,831)	(6,549,730)
Cash and cash equivalents at beginning of the year		11,326,249	17,875,979
Cash and cash equivalents at end of the year	18	1,343,418	11,326,249

Notes to the financial statements are included on pages 12 to 18

Financial statements

Statement of Changes in Equity

For the year ended 31 December 2023

	<u>Notes</u>	<u>Retained Earnings</u>	<u>Financial Assets Reserve</u>	<u>Donations & Bequests Reserve</u>	<u>Total Equity</u>
As At 31 December 2021		79,247,558	2,241,994	116,159	81,605,711
Profit for the year	21	10,394,148	-	-	10,394,148
Other comprehensive income			(198,542)	-	(198,542)
Transfer – profit on disposal of financial assets at fair value through other comprehensive income	20	1,001,523	(1,001,523)	-	-
Transfer – Donations & Bequests	20	3,083	-	(3,083)	-
As At 31 December 2022		90,646,312	1,041,929	113,076	91,801,317
Profit for the year	21	7,796,261	-	-	7,796,261
Other comprehensive income		-	778,626	-	778,626
Transfer – profit on disposal of financial assets at fair value through other comprehensive income	20	398,677	(398,677)	-	-
Transfer – Donations & Bequests	20	58,271		(58,271)	-
As At 31 December 2023		98,899,521	1,421,878	54,805	100,376,204

Notes to the financial statements are included on pages 12 to 18

Notes to the financial statements

For the year ended 31 December 2023

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 recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of the following Australian Accounting Standards to the extent applicable as required under Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2022:

AASB 101 Presentation of Financial Statements

AASB 107 Statement of Cash Flows

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors

AASB 124 Related Party Disclosures (to the extent that it relates to the disclosure of key management personnel compensation)

AASB 1048 Interpretation of Standards

AASB 1054 Australian Additional Disclosures.

The Society has not consolidated its interests in the two foundations and the trust that it controls (refer note 25) in a manner consistent with the requirements set out in AASB 10 Consolidated Financial Statements, because in the opinion of the Board doing so would not provide any additional information to users of the financial report.

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.

New and revised standards and amendments thereof and Interpretations effective for the current financial year that are relevant to the Society include:

- AASB 124 Related Party Disclosures (to the extent that it relates to the disclosure of key management personnel compensation).

In the current financial year, the Society has applied AASB 124 to the extent that it relates to the disclosure of key management personnel compensation as required under Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2022.

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

a) Borrowing Costs

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 Other Comprehensive Income

The Society has classified certain equity instruments as financial assets at Fair Value Through Other Comprehensive Income (FVTOCI). Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently,

they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the financial assets reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments and is transferred to retained earnings.

Financial assets at Fair Value Through Profit and Loss

Financial assets that do not meet the criteria for being measured at FVTOCI are measured at Fair Value Through Profit and Loss (FVTPL). Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

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

Donation 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 judgments, 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.

3. Revenue

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

	31/12/2023	31/12/2022
	\$	\$
Exhibition space rental & selling rights	3,169,141	4,012,844
Royal Show space rental, selling rights etc	4,429,055	4,221,209
Royal Show ticket sales	6,223,319	7,619,561
Competitive entry fees & related charges	1,521,283	1,949,818
Catering & car parking	3,071,521	2,872,312
Rental income & electrical charges -property	873,964	714,864
Caravan Park rental income	841,850	702,369
Sponsorship & prizes	1,467,009	1,622,247
Interest received	12,400	5,432
Dividends received	466,561	619,554
Advertising Income	192,988	147,900
Other	220,698	301,873
	<u>22,489,789</u>	<u>24,789,983</u>

4. Income from Grants

Federal Government:		
Supporting Agricultural Shows Grant Program	-	3,208,254
State Government:		
See It LIVE Grant	-	500,000
Other:		
State Basketball Centre Capital Project (<i>Refer Note 11</i>)	10,263,844	5,064,308
	<u>10,263,844</u>	<u>8,772,562</u>

5. Other gains and losses

Gain on disposal of property, plant and equipment	34,359	52,925
Gain on disposal of investments at fair value through profit and loss	-	109
Unrealised (loss)/gain on investments at fair value through profit and loss	(9,993)	15,080
	<u>24,366</u>	<u>68,114</u>

6. Trade and other receivables

	31/12/2023	31/12/2022
	\$	\$
Trade receivables	356,382	707,727
Provision for impairment	(6,587)	(6,777)
	<u>349,795</u>	<u>700,950</u>
Goods and services tax (GST) recoverable	93,970	182,196
Dividend Imputation Credits receivable	187,731	325,916
Other	1,838	12,448
	<u>633,334</u>	<u>1,221,510</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 counter-party and an analysis of the counter-party's current financial position.

7. Other current assets

Prepayments	362,860	268,037
Other	41,798	9,529
	<u>404,658</u>	<u>277,566</u>

8. Non-current financial assets

Investments in equity instruments designated as at Fair Value Through Other Comprehensive Income	7,880,647	7,729,680
Financial assets measured at fair value through profit or loss	2,008,478	1,418,471
	<u>9,889,125</u>	<u>9,148,151</u>

Investments are held for long term value appreciation to provide a perpetual source of diversified income and capital funding to enable the Society to pursue its purpose and to ensure the sustainability and longevity of the Society.

Investment selection criteria focuses on stability and long term growth, with dividend income generally reinvested each year. The Society uses an independent professional advisor to provide services to manage the Society's investments.

9. Property, plant and equipment

	31/12/2023	31/12/2022
	\$	\$
<i>At carrying amount:</i>		
Freehold land and buildings	29,406,862	24,572,059
Leasehold improvements	65,193,751	57,007,370
Plant and equipment	7,733,610	8,429,491
	<u>102,334,223</u>	<u>90,008,920</u>

	Freehold land & buildings	Leasehold improvements	Plant & equipment	Total
<i>Cost:</i>				
Balance at 31 December 2022	25,467,308	101,604,198	25,758,683	152,830,189
Additions	5,059,215	10,604,527	495,241	16,158,983
Disposals	(23,335)	(21,916)	(1,317,210)	(1,362,461)
Balance at 31 December 2023	<u>30,503,188</u>	<u>112,186,809</u>	<u>24,936,714</u>	<u>167,626,711</u>

	Freehold land & buildings	Leasehold improvements	Plant & equipment	Total
<i>Accumulated depreciation</i>				
Balance at 31 December 2022	(895,249)	(44,596,828)	(17,329,192)	(62,821,269)
Depreciation expense	(224,412)	(2,418,146)	(1,051,481)	(3,694,039)
Elimination on disposal of assets	23,335	21,916	1,177,569	1,222,820
Balance at 31 December 2023	<u>(1,096,326)</u>	<u>(46,993,058)</u>	<u>(17,203,104)</u>	<u>(65,292,488)</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 \$10,532,402 relating to construction of the State Basketball Centre as detailed in Note 11.

10. Trade and other payables

	31/12/2023	31/12/2022
	\$	\$
Trade payables	794,288	601,553
Goods and Services Tax (GST) payable	88,601	125,297
Other	1,143,300	1,227,886
	<u>2,026,189</u>	<u>1,954,736</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

State Basketball Centre Project	9,092	10,197,053
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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 is funded by a grant secured by BSA of \$15,800,000 through the Office of Recreation, Sport and Racing ("ORSR"), \$1,434,324 provided directly by BSA and \$268,553 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 2023.

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

As at 31 December 2023, capital costs of \$16,691,258 have been incurred and recognised within Leasehold Improvements in property plant and equipment (Note 9), \$10,263,844 has been recognised as income in the Statement of Profit and Loss (Note 4) representing the capital costs incurred during the year funded through BSA and ORSR contributions

Cash in bank held at 31 December 2023 in relation to the capital development is \$16,370 (note 18) and including costs to be settled subsequent to year end at \$7,278.

12. Non-current borrowings

	31/12/2023	31/12/2022
	\$	\$
<i>Secured</i>		
Bank finance facility	10,997,387	6,747,307

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 5.47% per annum (2022: 2.73%)

13. Provisions

Employee benefits	837,881	933,943
Current	768,052	863,872
Non-current	69,829	70,071
	837,881	933,943

14. Other non-current liabilities

Life memberships	158,005	148,040
Other payables	200,000	200,000
	358,005	348,040

15. Financing facilities

Secured bank finance facility		
- Used	10,997,387	6,747,307
- Unused	9,002,613	13,252,693
	20,000,000	20,000,000

16. Cash flow information

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

	31/12/2023	31/12/2022
	\$	\$
Net current year profit	7,796,261	10,394,148
Adjusted for:		
Depreciation	3,694,039	3,392,994
Provision for doubtful debt	(190)	(35)
Gain on disposal of property	(34,359)	(52,925)
Gain on disposal of investments at FVTPL	-	(109)
Unrealised (loss)/gain on investments at FVTPL	9,993	(15,080)
Interest received	(12,400)	(5,432)
Dividend Income	(466,561)	(619,555)
Grant Income	(10,263,844)	(5,064,308)
Receipts from State Basketball Centre funding	-	-
Movements in working capital:		
Decrease/(Increase) in accounts receivable and other debtors	588,366	(614,518)
(Increase)/decrease in prepayments and other assets	(127,092)	83,868
Increase/(Decrease) in trade and other payables	157,301	(2,842,415)
Decrease in provisions	(96,062)	(264)
Balance at end of financial year	1,245,452	4,656,369

17. Related party transactions

Key management personnel comprise members of the Board and senior employees involved in the management of the Society. Members of the Board act in an honorary capacity. 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.

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.

Aggregate total compensation paid to key management personnel for the year amounted to \$1,335,498.

Financial statements

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 (<i>Note 11</i>)	16,370	10,210,827
Other cash and cash equivalents	1,327,048	1,115,422
Balance at end of financial year	1,343,418	11,326,249

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

	31/12/2023 \$	31/12/2022 \$
Financial assets reserve	1,421,878	1,041,929
Donations and bequests reserve	54,805	113,076
	1,476,683	1,155,005

<i>Financial assets reserve</i>		
Balance at beginning of financial year	1,041,929	2,241,994
(Losses)/Gains on fair value of financial assets	778,626	(198,542)
Transfer gains on disposal of financial assets at fair value through other comprehensive income	(398,677)	(1,001,523)
Balance at end of financial year	1,421,878	1,041,929

<i>Donations and bequests reserve</i>		
Balance at beginning of financial year	113,076	116,159
Interest earned	3,572	616
Expenses paid out	(61,843)	(3,699)
Balance at end of financial year	54,805	113,076

21. Retained surplus

Balance at beginning of financial year	90,646,312	79,247,558
Profit/(loss) for the year	7,796,261	10,394,148
Transfer from reserves	456,948	1,004,606
Balance at end of financial year	98,899,521	90,646,312

22. Remuneration of auditors

	31/12/2023 \$	31/12/2022 \$
Audit of the financial report	20,500	19,500
Other advisory services	5,100	-
	25,600	19,500

23. Capital expenditure commitments

<i>Not later than 1 year</i>		
Leasehold Improvements	-	14,087,540

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 2023, the Archives Foundation generated total revenue of \$108,509 and, after deducting operating expenses, reported a net profit of \$65,332.

Royal Agricultural & Horticultural Education Foundation of South Australia Incorporated has been registered as a tax exempt charity for Income Tax purposes. During the year ended 31 December 2023, the Education Foundation generated total revenue of \$118,347. After providing educational scholarships of \$71,250 reported a net profit of \$79,962.

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 2023, the Scholarship Fund generated total revenue of \$36,963 including \$35,320 in tax deductible donations. After providing educational scholarships of \$8,000, the fund reported a net surplus after payment of scholarships of \$28,963. 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 Regulations 2022*.



Andrew Hardy, *President, RA&HS of SA Inc.*
Adelaide, 15 March 2024



Michael Siebert, *Treasurer, RA&HS of SA Inc.*
Adelaide, 15 March 2024



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 2023, 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:

- i. Giving a true and fair view of the registered entity's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- ii. Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 2023, 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

Paul Gosnold
Director
Adelaide, 15 March 2024

Society governance structure

PATRON

Her Excellency the Honourable Frances Adamson AC - GOVERNOR OF SOUTH AUSTRALIA

BOARD

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

CHIEF EXECUTIVE

William M Rayner

EXECUTIVE COMMITTEE - INC. BOARD

Tom RS Baker	Tim SG Buxton	Andrew R Duncan	Nicola Feeney	Frank Young
Graham Brand	Michael B Camac	Simon J Fahey	Greg Follett	
Bill R Burgess	Matt LJ Cooper	Peter T Fanning	Graeme P Hyde	

COUNCIL

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

HONORARY LIFE MEMBERS

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

HONORARY COUNCILLORS

Brian TM Ashby	Ian B Digby	Robert J Hunt	Joy Middleton	Pamela K Seppelt
John S Ayers	Charles M Downer	Trevor G James	Alistair S Murray	William A Seppelt
Robert D Battams	Jock G Duncan, AM	Leith C Jenkins, OAM	Dennis R Mutton, JP	Maxwell K Smart
Barrie J Beaumont	Walter H Duncan	Robert A Janssen	Dean M Pettman	Robert L Snewin
Keith A Bennett	David W Fechner	Philip L Laffer, AM	Dr John C Radcliffe, AM, FTSE	Colin J Tindall, RFD, LLB
Anne L Bone	Richard W Fewster	Colin E Lienert, OAM	Trevor M Randford	Glen L Trengove
Howard J Bone	Raymond L Fiebiger	Trevor W Linke	David N Read	Richard T Walsh, AM
Thomas W Bowden, OAM	Richard G Fishlock	John H Lloyd	Lea C Richens	Glenys R White
Royce A Bowyer	Ken H Follett	Robert J Lott	Mark F Robertson	Alan C Wilson
Trevor Camac	Darryl W Freer	Bruce McFarlane, AM	Ian B Sanders	Phillip E Withers
Robin P Coleman	Geoffrey Fuller	Ian A McGowan	Gary Schulz, OAM	Ronald J Wright
Owen F Croser	Robert R Hart	Andrew J Michael	Michael JD Scott, OAM, ASM	Ian L Young
Graham PC Day, OAM	Raelee J Hedger	Andrew M Michael	Karl J Seppelt, AO	



Inaugural Royal Adelaide Coffee Show



Judge, Royal Adelaide Wine Show



Fans at this years Heaps Good Festival

Adelaide Showground Caravan Park





ROYAL AGRICULTURAL &
HORTICULTURAL SOCIETY OF
SOUTH AUSTRALIA INCORPORATED

