



ROYAL AGRICULTURAL &  
HORTICULTURAL SOCIETY OF  
SOUTH AUSTRALIA INCORPORATED



# THE SOCIETY

ANNUAL REPORT 2018



# board

# our charter



**Robert J Hunt**  
President & Trustee



**Trevor G James**  
Chairman Council



**Hamish C Findlay**  
Deputy Chairman Council



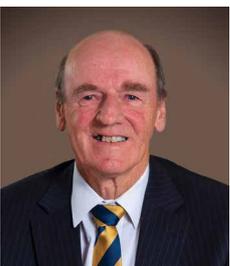
**Robert L Snewin**  
Treasurer & Trustee



**John W Rothwell**  
Chief Executive



**Andrew M Hardy**  
Trustee



**Charlie M Downer**  
Trustee



**Jock VE Gosse**



**Belinda A Cay**



**Michael P Siebert**



**John E Schutz**

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 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.

*Front cover: 100 Years of Clydesdale celebration  
at the 2018 Royal Show*

# society management chart

## PATRON

His Excellency, the Honourable Hieu Van Le AO - GOVERNOR OF SOUTH AUSTRALIA

## BOARD

Robert J Hunt - PRESIDENT & TRUSTEE	Robert L Snewin - TREASURER & TRUSTEE	Jock VE Gosse	John E Schutz
Trevor G James - COUNCIL CHAIRMAN	Charlie M Downer - TRUSTEE	Belinda A Cay	Michael P Siebert
Hamish C Findlay - COUNCIL DEPUTY CHAIRMAN	Andrew M Hardy - TRUSTEE		

## CHIEF EXECUTIVE

John W Rothwell

## EXECUTIVE COMMITTEE - INC. BOARD

Robert D Battams	Tim SG Buxton	David J Hubbard	Grant Octoman	Graham T Reu	John Schutz
Felicity A Brake	Nicola Feeney	Francis J McEvoy	Allan M Piggott	William A Seppelt	Michael P Siebert

## COUNCIL

Thomas E Ashby	Fiona L Donald	Raelee J Hedger	Joy Middleton	John E Schutz
Robert D Battams	Timothy J Donaldson	Andrew R Hentschke	Dennis R Mutton, JP	Pamela K Seppelt
Claire A Bennett*	Brett Draper	David J Hubbard	Sid G Nicholls	William A Seppelt
Keith A Bennett	Andrew R Duncan	Graeme P Hyde	Boyd C Octoman	David R Shannon
Michael C Blenkiron	Nicola Feeney	Trevor G James	Grant Octoman	Emma K Shaw
Tom RS Baker	Raymond L Fiebiger	Peter Karytinios	Gino Pacitti	Michael P Siebert
Ann L Bone	Hamish C Findlay	Sean J Kay *	Brian Parker *	Nicholas P Simpson
Felicity A Brake	Anne Fletcher	Carol Knezevic	Allan M Piggott	Peter P Smith
Graham R Brand	Greg Follett	Janet Kuys	Ray Pincombe	Paul GC Smith
Bob W Burdon	Chris W Francis*	Kate J Laurie	James W Pitchford	Robert L Snewin
Adrian G Burgess	Darryl W Freer	Colin W Lessue	Allan Potter, FCA	Darryl K Squiers
Robert J Butler	Geoffrey Fuller	Rex L Liebelt	David N Read	Christopher J Thompson
Peter O Button	Mike D Fullgrave	Cheryl L Liebich	Bruce WA Redpath	A Nicholas Wadlow
Tim SG Buxton	Michael C Gale	Trevor W Linke	Shane FJ Reidy	Alister AT Walsh
Trevor Camac *	Peter W Godden *	Andrew J Lock	Graham T Reu	Cheryl K Wandel
Michael B Camac	Jock VE Gosse	Brian W Mahomet	J William Richards	Damian P Wilson
Belinda A Cay	Susie E Green *	Francis J McEvoy	Heather Robertson*	Frank J Young
Adrienne J Clarke*, AFSM	Jonathan S Hall	Bruce F McFarlane	William J Rowett	John F Ziesing
Matt LJ Cooper*	Neville M Hallion	Richard J McFarlane	Nick L Ryan	
David H Copping	Andrew M Hardy	Elizabeth M McGee	Susan J Ryan	
Lachlan J Day	Robert R Hart	Karen McIntyre*	Ian B Sanders	
Mark J Doecke*	Richard F Haynes	Andrew J Michael	Catherine J Sayer*	*Ex-Officio

## HONORARY LIFE MEMBERS

Gary T Campbell, AM	Walter H Duncan	Colin R Gramp, AM	The Hon Nicholas H Minchin	The Hon Rear Admiral Kevin Scarce, AC, CSC, RANR	Phillip E Withers
Jock G Duncan, AM	Richard W Fewster	The Hon Marjorie Jackson-Nelson, AC, CVO, MBE	The Hon Sir Eric J Neal, AC, CVO	Richard T Walsh, AM	

## HONORARY COUNCILLORS

Brian TM Ashby	John G Donaldson	Robert W Hamdorf, APM, JP	Andrew M Michael	Glen L Trengove
John S Ayers	Jock G Duncan, AM	Neil S Henderson	Alistair S Murray	Malcolm J Wandel
Frank T Beauchamp	Walter H Duncan	Leith C Jenkins, OAM	Dean M Pettman	Richard T Walsh, AM
Barrie J Beaumont	David L East	Robert A Jensen	Dr John C Radcliffe, AM, FISE	Murray G Weston
Howard J Bone	Colin L Ekers	Philip L Laffer, AM	Trevor M Randford	Glenys R White
Thomas W Bowden, OAM	David W Fechner	Colin E Lienert, OAM	Lea C Richens	Alan C Wilson
Royce A Bowyer	Richard W Fewster	Rob W Linn	Mark F Robertson	Phillip E Withers
David M Cain, PSM	Richard G Fishlock	John H Lloyd	Gary Schulz	Ronald J Wright
Robin P Coleman	Ken H Follett	Bruce W Lockier	Michael JD Scott, OAM, ASM	Ian L Young
Owen F Croser	Alan L Freeman	Robert J Lott	Karl J Seppelt, AO	James W Young
Graham PC Day	Peter S Gill, OAM	R Keith McFarlane	Maxwell K Smart	
Ian B Digby	Colin R Gramp, AM	Ian A McGowan	Colin J Tindall, RFD, LLB	

# president's report



*Rob Hunt, President, RA&HS of SA Inc.*

Favourable weather, a diverse program of events and strong competitive sections saw the 2018 Royal Adelaide Show declared a resounding success. Just under 470,000 patrons attended the Show over ten days – a 6% increase over the previous year and in line with our five-year rolling average, despite a modest increase in ticket prices. Overall revenue from ticket sales increased by a healthy 17%, though the number of return tickets sold decreased by 12%.

As South Australia's largest public event, the Show makes a strong economic contribution to South Australia, and the 2018 Show recorded an estimated gross economic impact of more than \$193 million. The Carnival and Showbag sections reported strong trade and slight increases in revenue, though tight economic conditions contributed to a slight drop in revenue from commercial exhibitors. In contrast, revenue from the Goyder Food & Wine area, the Pet Centre and Market Bazaar were all up on the previous year.

Show-goers responded well to the food and drink offering at this year's Show, with total catering revenue up by 9%. The spend per head on food and beverage products grew by 3%, representing 13 years of continual growth under the O'Brien Catering Group. Also pleasing was an increase in corporate catering revenue of over 20%, largely due to an increase in the number of functions held at the Show. Likewise, retail food and drink sales increased 8.6%.



*The spend per head on food and beverage grew by 3%, with total catering revenue up by 9%*



*Market Bazaar, along with the Goyder Food & Wine area and the Pet Centre all provided an increase in revenue compared to 2017 Show.*

In 2018 the Show launched a major new national prize – the Grains and Fodder Innovation Awards, designed to recognise growers across Australia who have redeveloped their farming practices to adapt to change, increase product and/or demonstrate sustainability. The Grain Innovation Award was won by Tom Robinson of Hoyleton for his efforts to improve soil health using cover crops and companion cropping, while the Fodder Innovation Award went to Brenton McCrae of Kadina for developing a stormwater harvest project in conjunction with the local council.

The Royal Adelaide Show was delighted to host Agricultural Shows of Australia's (ASA) Rural Ambassador Award, won by Sophie Croke Lay from Victoria. In addition to the Rural Ambassador final, ASA conducted the National Young Judges Championships including eight national finals; dairy and dairy handlers, beef cattle and paraders, merino sheep, fleece, meat sheep and poultry. The young competitors, aged from 16 to 29, all performed admirably and did a great job of promoting agriculture to the show-going public.

The Showground's events team also enjoyed a productive 2018, re-signing several long-term clients and attracting a number of new events to the Adelaide Showground, including Gilles at the Grounds: the Fashion Edit – part of the Adelaide Fashion Festival, the Sounds and Vibes Music Festival, and Belly Baby Beyond Parenting Fair.



*The 2018 Agricultural Shows of Australia's Rural Ambassador Award finalists. Photo courtesy of Stock Journal*



In 2018 the Rosefield Community Shed relocated to the Adelaide Showground, taking up residence in the Farmyard Nursery and working on various projects for the Society.

### Community support

Committed to giving back to the South Australian community, the Society again provided over \$325,000 worth of Show tickets and associated items, including ride, showbag and meal vouchers, to charities and community groups. In addition, the Show Brunch raised over \$13,000 for the Love Your Sister Charity, which supports breast cancer research, and the Country Women's Association raised considerable funds for their Emergency Aid Fund. Show-goers were encouraged to support the Buy A Bale Foundation by making a coin donation at Show Kiosks, or by bringing a can of non-perishable food to donate to Foodbank. The Society also entered into a partnership with the Rosefield Community Shed by providing a new home-base, which involved the group moving into the Farmyard Nursery in exchange for working on various projects around the Showground, including restoration of the historic cart in the Old Ram Shed.

A highlight of the year was the launch of the Show Society Education Foundation fundraising initiative at the Royal Show Official Lunch. The Foundation is working hard to raise funds through events, donations and bequests to provide scholarships to young people studying agriculture and related fields. The Foundation got off to a great start, raising \$16,000 from the Show Foundation Lunch Prize.



Two new National Grains and Fodder Innovation awards were launched at the 2018 Show.



Gilles at the Grounds: the Fashion Edit – part of the Adelaide Fashion Festival - a new event held at the Adelaide Showground in 2018

In addition, the Show Society Foundation continued to support the State Rural Ambassadors Program, SA Sheep Expo, Junior Heifer Expo, Rural Media Awards and The University of Adelaide agricultural scholarship programs.

Finally, on behalf of the Royal Agricultural & Horticultural Society Board, I would like to thank our staff, sponsors, volunteers, committee members, exhibitors and media partners for their support in 2018.

A handwritten signature in blue ink, which appears to read "Rob Hunt".

Rob Hunt, President, RA&HS of SA Inc.  
Adelaide, 15 March 2019



The 2018 SA Sheep Expo - Supported by the Show Society Foundation.

# chairman's report



*Trevor G James, Council Chairman, RA&HS of SA Inc.*

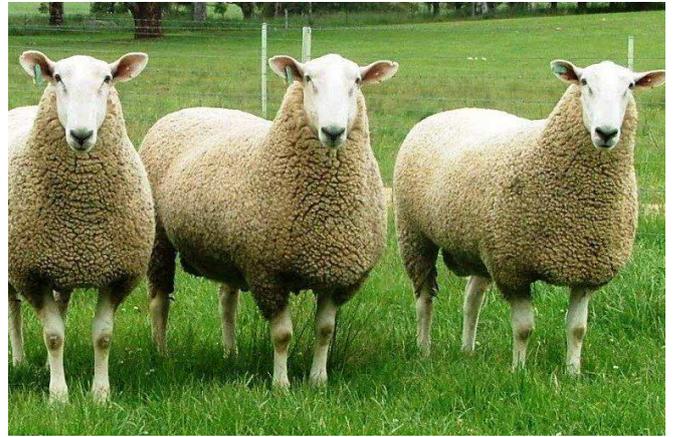
South Australia's leading producers in the agriculture, food and wine industries took centre stage at this year's Royal Adelaide Show, reflecting the Society's role as a promoter and advocate for primary production.

We were delighted to see the number of competitive entries continue to rise in 2018, with 32,060 entries being received across a record 62 sections - the third highest number in the history of the event. Furthermore, several classes achieved their highest ever number of entries including Open Cookery, Honey, Miniature Goats, Home Economics, Young Judges and Beer.

There was strong participation from the feature breeds across the livestock sections including Jersey (Dairy Cattle), Speckle Park (Beef Cattle) and Border Leicester (Sheep). The feature grain for 2018 was Durum and horticulture showcased the Camellia as the feature flower. Special displays and interactive exhibits for each of the feature breeds did an effective job of promoting the Show's competitive sections to the public, and the high standard of entries they attract.



*The 2018 Beef Cattle Feature Breed - Speckle Park*



*The 2018 Sheep Feature Breed - Border Leicester*

Despite both economic and climatic challenges faced by the farming community in recent times, the Show continues to be strongly supported by the State's agricultural industry. Many farmers and exhibitors value the opportunity to inform show-goers - particularly children - about the vital role of agriculture in our community. Likewise, the Show plays an important role in teaching young people about where their food comes from, and the myriad career opportunities available in modern agriculture.

In 2018 an Annual General Meeting and four Council meetings were held. Likewise, regular competitive section meetings were staged and over 980 judges and stewards were engaged to adjudicate and administer the Show's competitive sections. Their work was recognised at two events, a function at the Showground Bull Bar held on the Thursday before the Show and the annual Judges and Stewards Dinner held on the Tuesday during the Show.



*Record entries were received in Open Cookery for the 2018 Show*



Record entries were received for Beer, as part of the 2018 Royal Adelaide Beer and Cider Awards.

## CHANGES TO THE SOCIETY'S COUNCIL IN 2018 INCLUDE;

### CHANGES TO BOARD

Andrew M Hardy – Trustee  
 Robert L Snewin – Treasurer & Trustee  
 Trevor James – Council Chairman  
 Hamish Findlay – Council Deputy Chairman  
 Michael P Siebert – Board Member  
 John E Schutz – Board Member  
 Andrew H Bone – Deceased  
 Robert Hart – Retirement

### CHANGES TO EXECUTIVE COMMITTEE

Appointments	Resignations
David J Hubbard	Rob Linn

### CHANGES TO COUNCIL

#### Appointments

Catherine Sayer (Agri Food & Commerce)\*  
 Gino Pacitti (Dairy Cattle & Pig)  
 Kate Laurie (Wine)  
 Tom Baker (Beef Cattle)  
 Mike Fullgrave (Woodcutting)  
 Ray Pincombe (Woodcutting)

#### Resignations

Rob W Linn (Agribusiness)  
 Ken Follett (Dairy Cattle & Pig)  
 Mike K Farmilo (Wine)  
 Glen Trengove (Beef Cattle)  
 David Murphy (Woodcutting)  
 Ian McGowan (Grains & Fodder)

\*Ex-Officio

## CHANGES TO HONORARY COUNCILLORS

### Appointments

Ken Follett (Dairy Cattle & Pig)  
 Rob W Linn (Agribusiness)  
 Glen Trengove (Beef Cattle)  
 Ian McGowan (Grains & Fodder)

### LONG SERVING VOLUNTEER AWARDS

Vaughan Wilson - Diverse Farming Committee  
 Maureen Talbot - Diverse Farming Committee  
 Joyce Fendler - Art, Craft, Cookery & Technology Committee

### 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.

Robert Shepherd – Beef Cattle Committee (1959 - 1996)  
 Andrew H Bone – Woodcutting Committee (2007 – 2018)  
 Bryant Giles – Horticulture Committee (1960 – 1994)

Finally, I would like to thank the Society's many councillors and staff, in particular Chief Executive John Rothwell, for their ongoing commitment during the year.

Trevor G James, *Council Chairman, RA&HS of SA Inc.*  
 Adelaide, 15 March 2019

# chief executive's report



*John W Rothwell, Chief Executive, RA&HS of SA Inc.*

## ROYAL ADELAIDE SHOW

Buoyed by fine spring weather, South Australians showed strong support for the 2018 Royal Adelaide Show, with 469,334 patrons attending the ten-day event – a 6% increase on the previous year.

This year's Show also surpassed expectations in the competitive arena, attracting 32,060 entries from 62 sections – an increase of 393 on 2017 or the third highest number of entries in the Show's history.

A diverse entertainment program was a key attraction, with everything from musical theatre to racing V8 utes on the Main Arena. Our regular theatrical productions in the Goyder Pavilion are a favourite of many show-goers and 2018 was no different, with daily performances of *Lights - Camera - Action!* drawing crowds four times daily. A spectacular tribute to the golden era of movies and Hollywood glamour, this all-singing, all-dancing show drew much positive feedback. Another Royal Show entertainment favourite is the Mid-Show Kids' Entertainment Program, which does an excellent job of attracting visitation during the traditionally quieter period of the Show. ABC TV personality Jimmy Giggle and his friends Hoot and Hootabelle – supported by The Trolls and PJ Masks – delighted pre-schoolers and their parents, and *The Smurfs Enchanting Village* in the Kids' Corner precinct was also very popular.

The Golden North Stage, at the end of Hamilton Boulevard, presented a diverse entertainment program that drew strong crowds daily. Highlights included the Band of SA Police, the high-energy acrobatics of Zimbabwe Brothers and the Golden North Ice Cream Eating Competition. The NightShift on the Main Arena was a must-do for many show-goers, with highlights including for the first time Car Soccer, the Team D-Max precision driving team, FMX Moto-Cross team, Ford versus Holden V8 Ute Challenge and, of course, the fireworks. The Main Arena also hosted the World Cup Drone Championships, with demonstrations and competitions captivating crowds.



*Lights - Camera - Action! was a spectacular tribute to the golden era of movies and Hollywood glamour performing multiple times daily.*

In the Dog Pavilion many people sought out the National Junior Handler Final. The standard of competition was outstanding, and the winner Destiny (Dee) Hamilton of Victoria won a trip to prestigious UK dog show Crufts. The Cookery Competition also enjoyed a good year, achieving a record number of entries in the Open Cookery section. New classes in 2018 included the Hinkler Cake and Joy Middleton Medallion, a pentathlon event that required competitors to enter five classes. High numbers of entries were also recorded in the Junior Cookery sections, which is a great sign for future years. In the TasteSA pavilion, thousands of show-goers sampled some of our State's best food and wine, and many took advantage of our new beer testing sessions in The Cellar Door.



*TasteSA was a popular destination for show-goers - providing samples of some of South Australia's best food and wine.*



*FarmVR - a new state of the art experience aimed at young show-goers to showcase rural activities and agricultural production.*

Agricultural exhibitions and rural activities are a big part of the Show, and the new Farm VR experience in the Golden Grains Pavilion attracted many young show-goers and their families. In the Sheep Pavilion, the Elite Stud Sheep Sale and Merino Ram Sale achieved excellent clearance rates and sales figures, including \$46,000 for a Merino Ram from the Collinsville stud.

Young people in agriculture were showcased at the National Young Judges Championships which were held at the 2018 Adelaide Royal. This event showcased emerging agricultural talent from across Australia and New Zealand, and all competitors performed admirably. The Kiest Shield, which recognises the State with the most points across the nine judging categories, was won by Western Australia with South Australia coming second. The South Australian Rural Ambassador Award was won by Chris Hutchinson, 26, of Kapunda, with runners up Kevin Lintern, 28, from the Central Association and Matthew Hagger, 28, from the Northern Association.

Whether it's watching the livestock judging, cuddling a baby chick in the Farmyard Nursery, or admiring Australia's deadliest reptiles in the Pet Pavilion, animals of all shapes and sizes continue to be a favourite activity for many show-goers. Vets and vet students along with their lecturers from the University of Adelaide's Roseworthy Campus were also in attendance throughout the Show to attend to animals as required.

The Royal Adelaide Show continued its support of the Ride Against Suicide, and this year's event attracted a record number of 300 participants. Organised by Silent Ripples and the Long Riders Christian Motorbike Club, the ride raised over \$8,000 for mental health charities.

'The Show for the Ages' was the theme of this year's marketing campaign, reinforcing not only the longevity and tradition of the Show, but the ever-changing nature of the event and its ability to deliver experiences for all ages and tastes. The advertising schedule included television, radio, press, outdoor and digital,

supplemented by the production of the highly regarded Show Magazine. This year's publication was distributed in metropolitan Adelaide via Messenger newspapers, with 320,000 copies delivered to households, 50,000 distributed regionally via the Sunday Mail and a further 50,000 via IGA and Foodland supermarkets. Furthermore, media coverage amounting to \$8 million ensured the event was well publicised both in the lead-up and during the event.

Our online marketing presence continued to grow, particularly social media which recorded high number of followers (85,000 on Facebook) and strong engagement. Live streaming was again popular, with the Horses-In-Action, Woodcutting and Dog events streamed live via Facebook and YouTube. The Show website recorded over 562,000 sessions and 1.6 page views during the ten days of the event, and 75% of people accessed the Show website via a mobile device.

The Royal Adelaide Show would not be possible without its sponsors, and mention should be made of their ongoing support. Our much-valued presenting partner continued to be BankSA - they also hold naming rights for the #Agsplorers Track, Farmyard Nursery and Discount Ride Coupons. This year we welcomed Channel Nine Adelaide to the Show family as premier partner, resulting in excellent exposure for the Show. Thanks also to the hundreds of everyday South Australians who sponsor prizes and sections.

The Adelaide Showground train station had its busiest period yet, with 51,119 patrons passing through the Station during the Show - an increase of 19.5%. Buses to the Showground also reported strong demand. Fine weather saw many show-goers take advantage of car parking in the Parklands, with more than 36,000 vehicles parking there - an increase of nearly 18%.

# chief executive's report

## ROYAL ADELAIDE WINE SHOW

Shiraz dominated the competition at the 2018 Royal Adelaide Wine Show, with a quarter of the 2,712 entries being of this variety and 20 gold medals awarded. The Max Schubert Trophy for Most Outstanding Red Wine in Show was won by Bleasdale Vineyards for their 2016 Generations Shiraz, while the Most Outstanding Wine of Provenance category was won by Leasingham's Classic Clare Shiraz (2016, 2009, 2005).

The 2018 competition also saw resurgence in Chardonnay entries, which was the largest white wine class. Seventeen gold medals were awarded to Chardonnay, and Deep Woods Estate from Western Australia was awarded the trophy for Best Chardonnay and the George Fairbrother Memorial Trophy for Best White Wine in Show.



Outstanding Wine of Provenance Wine: Matt Caldersmith, Leasingham Wines, Most Outstanding Red Wine in Show: Paul Hotker, Bleasdale, Most Outstanding White Wine in Show: Mark Hill-Ling, Deepwoods Estate



RnB Fridays Live - one of three significant music events held at the Adelaide Showground in 2018

## ADELAIDE SHOWGROUND

The Adelaide Showground continues to be one of South Australia's most popular venues attracting an estimated 650,000 visitors to a total of 245 events, outside the Royal Adelaide Show. It remains the home of Adelaide's major consumer focussed exhibitions, growing the number of music events and primary exam venue for the University of South Australia and University of Adelaide.

The venue's high recognition with the Adelaide public continues to support consumer events across a broad range of subject areas with major events such as Let's Go Caravan & Camping Lifestyle Show, Adelaide's three Home shows, the Supanova Comic Con & Gaming Expo, and the contemporary Bowerbird Bazaar.

2018 saw a return to significant music events with three single day events – Groovin' the Moo, RnB Friday and SpinOff – attracting large audiences to the Adelaide Showground, our well-maintained facilities providing safety and a great patron experience. In addition, the Adelaide Showground hosted several events for the Adelaide Fringe and the Festival's world class production of Brahm's Human Requiem.

The Showground's use of its historic buildings has become more prevalent with the original Brick Dairy now accommodating the Adelaide Beer & BBQ festival in July and a regular fashion, art and craft market, Gilles @ the Grounds. The weekly Adelaide Showground Farmers Market continues to attract consistently strong crowds enjoying fresh South Australian farm produce each week.

Amongst the crowded Adelaide Showground calendar, community and charitable events are still accommodated, sponsoring of the Variety Club Christmas function (3,000 people), Cancer Council's Relay for Life and Smith Family Christmas gifts, support for Indian & Muslim cultural festivals and agricultural events aimed at young people involved with sheep, dairy and beef cattle and equestrian.

The year ahead sees the presentation in September of World Routes 2019, the international aviation event won by South Australia and attracting up to 3,000 international visitors to the Adelaide Showground.



Brahm's Human Requiem - a world class production as part of the 2018 Adelaide Festival

## INDUSTRY ASSOCIATIONS

The Society continues to provide support and secretarial services, through its Rural Services Division, to 26 industry associations which included;

Agricultural Societies Council of SA,  
Angus Society of Australia (SA Branch),  
Australian Corriedale Association Inc.,  
Australian Dohne Breeders Association,  
Australian Dorper and White Dorper, Association Inc,  
Australian Poll Dorset Association (National)  
Australian White Suffolk Association (National)  
Australian White Suffolk Association – Superwhites,  
Australian White Sheep Breeders Association,  
Australian Pig Breeders Association - SA Branch,  
Australia Poll Dorset Association (Adelaide Region),  
Australia Stud Sheep Breeders Association - SA Branch,  
Australian Red Poll Cattle Breeders Inc - SA Branch,  
Damara Sheep Breeders Society,  
Herefords Australia (SA Branch)  
Prime SAMM Breeders Society of Australia - Central Division,  
Prime SAMM Sheep Breeders Society of Australia – (National)  
Simmental Australia - SA Branch,  
South Australian Agricultural Shows Next Generation Group Inc.,  
South Australian Beef Cattle Breeders Association,  
South Australian Sheep Expo Council Inc.,  
South Australian Young Beef Breeders Association,  
South Australian Junior Heifer Expo Council Inc,  
South Australian Potato Industry Trust,  
South Australian Grain Industry Trust and  
The Shorthorn Society of Australia - SA Branch.  
South Australian Grain Industry Trust and  
The Shorthorn Society of Australia - SA Branch.

## ACKNOWLEDGEMENTS

I would like to acknowledge ongoing support from Society councillors, members, volunteers, community organisations, committed sponsors, members of the media and, of course, our wonderful staff. Likewise, the many Government agencies that help to keep the Royal Show and the other events held at the Showground safe and pleasant.

## MAJOR SPONSORS

Royal Show Presenting Partner – BankSA

Royal Show Premier Partner – Channel Nine Adelaide

### Royal Adelaide Show and Royal Adelaide Wine Show sponsors:

Adelaide Expo Hire Pty Ltd	Isuzu Ute Australia Pty Ltd
Australian Broadcasting Corporation	Landmark
Big Screen Video	Laucke Mills
Braud Australia	Metcash Food and Grocery
CCL Label Solutions	Nova Entertainment Pty Ltd
Chifley on South Terrace	Nufarm
CNH Industrial Australia	Primary Industries and Regions SA - PIRSA
Coca-Cola Amatil	RAA
Coopers Brewery Limited	Rabobank
Dairy Australia	SH Rowe
Duxton Capital Australia	Spring Gully Foods Pty Ltd
Elders Limited	SUEZ
Fleurieu Milk & Yoghurt Company	The Advertiser
Golden North	Vili's
Inventure Partners	Wallis Cinemas

## SUPPORTERS

The Society acknowledges and thanks the following organisations for their ongoing commitment to the Society, covering all aspects of operation;

City of Unley, Adelaide City Council, Department of Education & Children's Services, Department of Transport, Energy & Infrastructure – Public Transport Division, Girl Guides Association (SA) Inc, Lions International, Consumer & Business Services, Primary Industries & Resources SA (PIRSA), Rotary Club of Adelaide, Scouts Australia, SA Ambulance Service, SA Metropolitan Fire Service, SafeWork SA, The Showmen's Guild of SA, South Australian Police, South Australian Wine Industry Association, St John Operations Branch, State Emergency Services, TafeSA (Douglas Mawson Institute of Technology – School of Wool and Textiles), TafeSA (Regency Institute – Regency Hotel School), The University of Adelaide, and Urrbrae Agricultural High School.



**John W Rothwell**, Chief Executive, RA&HS of SA Inc.  
Adelaide, 15 March 2019

# key statistics & information

**\$950 THOUSAND**  
OPERATING SURPLUS FOR THE YEAR

**\$1.02 MILLION**  
NET CASH IN FROM OPERATIONS

**\$838,000**  
REVENUE FROM INVESTMENTS (DIVIDENDS)

**\$247,000**  
PROFIT ON SALE OF SHARES AND OTHER ASSETS

**\$5.2 MILLION**  
INVESTMENT IN CAPITAL DURING THE YEAR

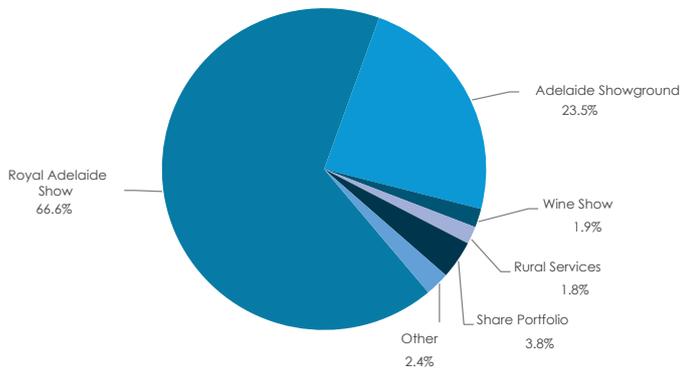
**INCREASE OF \$3.6M**  
MOVEMENT IN BORROWINGS FOR THE YEAR

**COMPETITIVE ENTRIES**  
**33,060**  
THIRD HIGHEST NUMBER ON RECORD

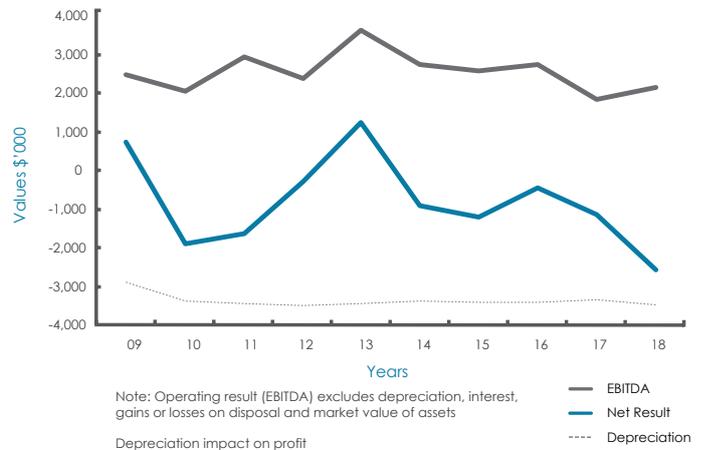
Operating surplus of 4.3% reflects a weak consumer economy with public spending patterns impacting on third party public events held at the Showground although the Show continued to provide a strong result.

\$5.2M was invested into capital during the year with a \$3.6M increase in borrowing to assist in funding these acquisitions.

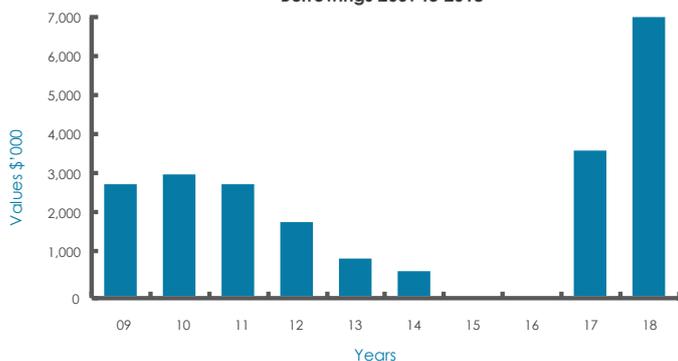
Revenue by Sector 2018



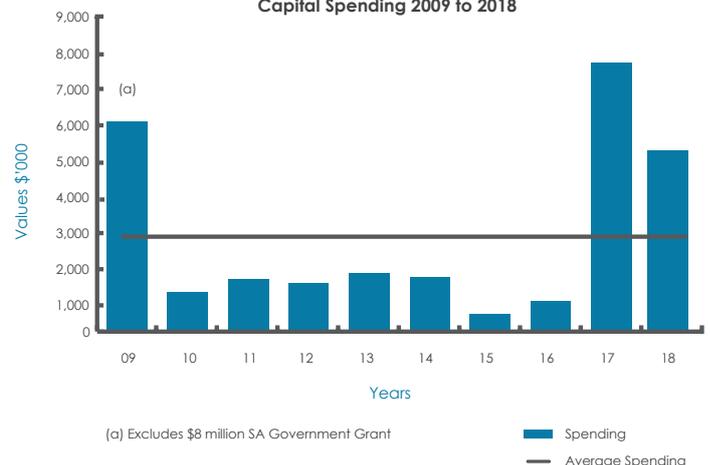
EBITDA & Net Results 2009 to 2018



Borrowings 2009 to 2018



Capital Spending 2009 to 2018



# treasurer's report



Robert Snewin, Treasurer, RA&HS of SA Inc.

The operational result of \$949,538 after adjusting for investment results, amortisation of government grants (\*) and depreciation is detailed below. Depreciation for the year of \$3,488,176 includes \$1,046,181 relating to assets funded by government grants. The Society continues to achieve a positive operational result in challenging economic conditions.

The net deficit for the year of \$2,588,054, includes the impacts of unrealised losses on investments and annual depreciation on fixed assets.

	<u>2018</u> \$'000	<u>2017</u> \$'000
Loss for the year	(1,320)	(1,607)
Deduct investment results:		
Realised gain on disposal of property, plant and equipment	380	14
Dividend Income	838	600
	(2,538)	(2,221)
Amortisation of Govt Grant over estimated life cycle of related assets (*)	1,046	1,056
Operational Result	(1,492)	(1,165)
Deduct depreciation on assets not funded by Govt Grant	2,442	2,307
<b>Operational Result before depreciation</b>	<b>950</b>	<b>1,142</b>

(\*) In accordance with relevant accounting standards (AASB 120 'Accounting for Government Grants'), government grants received in 2007 and 2008 were recognised as income in the year the grants were received. However, for analysis purposes these grants are amortised to income over the expected life of the related asset.

The operational result before depreciation is reflected in the positive cashflow from operating activities set out in the financial statements. Net cash outflows from investing activities during the year reflects the cashflow impact of the acquisition of two key properties adjacent to the Showground and new components of the Society's long-term Master Plan. After recognising cash inflows through borrowings, the Society recorded a small net cash increase for the year.

Revenue for the year increased by 6% in comparison to 2017, whilst expenditure, excluding unrealised losses on investments and depreciation also increased by 6%. The current results reflect a weak consumer economy with public spending patterns impacting on third party public events held at the Showground although the Show continued to provide a strong result.

Capital expenditure for the year included the acquisition of 10-12 Goodwood Road and 99 Rose Terrace (\$4.5M), two properties referred to above and new light towers in the main arena (\$0.8M).

## INVESTMENTS

The Society's investment portfolio recorded an unrealised loss of \$1,134,899 for the year, reflecting the continued uncertainty in regional and global share markets. The portfolio is held as a hedge against extreme adverse Show conditions, recognising the importance of the Show to the Society's operations.

The Investment Committee met regularly during the year and, after considering advice from Macquarie Equities Limited, completed a number of transactions, covering both acquisitions and disposals, resulting in net acquisitions of \$177,277. Gross dividends of \$838,155 were received during the year.

The Board approved 20% of dividend franking credits (\$34,278) as donations to the Archives and Education Foundations, representing 10% for each foundation in addition to other donations made by the Society to the foundations.

## INSURANCE

Premiums for 2018 increased 14% over previous year levels to \$361,858 with premiums increasing as a function of a significantly hardening insurance market. The 2018 insurance policy period was also extended to cover a 15 month period with premiums amended accordingly, effectively moving the annual renewal date from 31 December to 31 March.

## MANAGEMENT

The Society is 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.

Robert Snewin, Treasurer, RA&HS of SA Inc.  
Adelaide, 15 March 2019

# financial statements

## Statement of Profit or Loss and other Comprehensive Income For the year ended 31 December 2018

	<u>Notes</u>	<u>Year ended</u> <u>31/12/2018</u> \$	<u>Restated</u> <u>Year ended</u> <u>31/12/2017</u> \$
Revenue	3	21,913,608	20,679,584
Other gains and losses	4	380,340	13,896
Administration expenses		(1,786,568)	(1,620,208)
Advertising and promotion expenses		(825,900)	(756,011)
Depreciation expenses		(3,488,176)	(3,363,462)
Employee benefits expense		(4,942,491)	(4,751,840)
Event expenses		(8,218,605)	(8,158,212)
Finance costs		(320,144)	(72,660)
Maintenance and service of grounds		(3,034,859)	(2,701,621)
Other expenses		(997,348)	(876,337)
<b>Loss For The Year</b>		<b>(1,320,143)</b>	<b>(1,606,871)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value (losses)/gains on financial assets at fair value through other comprehensive income		(1,267,911)	439,959
Total other comprehensive (loss)/income for the year		(1,267,911)	439,959
<b>Total Comprehensive Income For The Year</b>		<b>(2,588,054)</b>	<b>(1,166,912)</b>

Notes to the financial statements are included on pages 18 to 24

**Statement of Financial Position**  
**As at 31 December 2018**

	<u>Notes</u>	<u>As at</u> <u>31/12/2018</u> \$	<u>Restated</u> <u>As at</u> <u>31/12/2017</u> \$
<i>Current assets</i>			
Cash and bank balances	17	901,970	682,155
Trade and other receivables	5	716,894	846,818
Other assets	6	207,810	298,516
Land held for sale	7	426,150	-
<b>Total Current Assets</b>		<b>2,252,824</b>	<b>1,827,489</b>
<i>Non-current assets</i>			
Financial assets	8	8,310,148	9,400,781
Property, plant and equipment	9	86,975,532	85,445,248
<b>Total Non-Current Assets</b>		<b>95,285,680</b>	<b>94,846,029</b>
<b>Total Assets</b>		<b>97,538,504</b>	<b>96,673,518</b>
<i>Current liabilities</i>			
Trade and other payables	10	1,264,336	1,478,911
Provisions	12	806,979	775,199
<b>Total Current Liabilities</b>		<b>2,071,315</b>	<b>2,254,110</b>
<i>Non-current liabilities</i>			
Borrowings	11	7,500,000	3,900,000
Other liabilities	13	142,061	123,175
Provisions	12	127,525	110,576
<b>Total Non-Current Liabilities</b>		<b>7,769,586</b>	<b>4,133,751</b>
<b>Total Liabilities</b>		<b>9,840,901</b>	<b>6,387,861</b>
<b>Net Assets</b>		<b>87,697,603</b>	<b>90,285,657</b>
<b>Equity</b>			
Reserves	19	1,937,908	3,075,178
Retained surplus	20	85,759,695	87,210,479
<b>Total Equity</b>		<b>87,697,603</b>	<b>90,285,657</b>

Notes to the financial statements are included on pages 18 to 24

# financial statements

## Statement of Cash Flows

For the year ended 31 December 2018

	<u>Notes</u>	<u>Year ended</u> <u>31/12/2018</u> \$	<u>Year ended</u> <u>31/12/2017</u> \$
<b>Cash flows from operating activities</b>			
Receipts from customers		22,930,548	21,775,084
Payments to suppliers and employees		(21,590,612)	(20,579,885)
Cash generated from operations		1,339,936	1,195,199
Interest paid		(320,144)	(72,660)
<b>Net cash generated by operating activities</b>		<b>1,019,792</b>	<b>1,122,539</b>
<b>Cash flows from investing activities</b>			
Payments to acquire financial assets		(513,860)	(487,079)
Proceeds on disposal of financial assets		336,582	454,414
Interest received		3,416	5,753
Dividends received		838,155	600,375
Payments for property, plant and equipment		(5,759,543)	(7,767,814)
Proceeds from disposal of property, plant and equipment		695,273	33,341
<b>Net cash provided by/(used in) investing activities</b>		<b>4,399,977</b>	<b>(7,161,010)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		9,800,000	8,400,000
Repayment of borrowings		(6,200,000)	(4,500,000)
<b>Net generated by financing activities</b>		<b>3,600,000</b>	<b>3,900,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>219,815</b>	<b>(2,138,471)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>682,155</b>	<b>2,820,626</b>
<b>Cash and cash equivalents at end of the year</b>	17	<b>901,970</b>	<b>682,155</b>

Notes to the financial statements are included on pages 18 to 24

**Statement of Changes in Equity  
for the year ended 31 December 2018**

	<u>Notes</u>	<u>Retained Earnings</u>	<u>Financial Assets Reserve</u>	<u>Donations &amp; Bequests Reserve</u>	<u>Total Equity</u>
As At 31 December 2016		91,330,751		121,818	91,452,569
Retrospective adjustment upon change in accounting policy	1.3	(2,665,628)	2,665,628	-	(1,166,912)
		88,665,123	2,665,628	121,818	91,452,569
Loss for the year	20	(1,606,871)	-	-	(1,606,871)
Other comprehensive income		-	439,959	-	439,959
Transfer – gains on disposal of financial assets at fair value through other comprehensive income	19	149,344	(149,344)	-	-
Transfer – Donations & Bequests	19	2,883	-	(2,883)	-
As At 31 December 2017		87,210,479	2,956,243	118,935	90,285,657
Loss for the year	20	(1,320,143)	-	-	(1,320,143)
Other comprehensive income		-	(1,267,911)	-	(1,267,911)
Transfer – losses on disposal of financial assets at fair value through other comprehensive income	19	(133,012)	133,012	-	-
Transfer – Donations & Bequests	19	2,371	-	(2,371)	-
As At 31 December 2018		85,759,695	1,821,344	116,564	87,697,603

# financial statements

## Notes to the financial statements

For the year ended 31 December 2018

### 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 AASB 9 with a date of initial application of 1 January 2018. As a result the Society has changed its financial instruments accounting policies as detailed in the significant accounting policies note. This standard has been applied retrospectively resulting in financial statement line items being affected for the current and prior period. Adjustments made to the affected financial statement line items are shown below.

The initial application of AASB 9 results in movements in the fair value of the Society's investments in equity instruments measured at fair value being recorded through the financial assets reserve rather than being recorded in profit or loss as was previously the case. The impact of initial application is summarised on the following page.

## Adjustments made to statement of financial position

### As at 31 December 2018

	<u>Under Previous accounting policies</u> \$	<u>AASB 9 Adjustments</u> \$	<u>As Presented</u> \$
<b>Equity</b>			
Reserves	116,654	1,821,344	1,937,908
Retained surplus	87,581,039	(1,821,344)	85,759,695
<b>Total Equity</b>	<u>87,697,603</u>	<u>-</u>	<u>87,697,603</u>

### As at 31 December 2017

	<u>Under Previous accounting policies</u> \$	<u>AASB 9 Adjustments</u> \$	<u>As Presented</u> \$
<b>Equity</b>			
Reserves	118,935	2,956,243	3,075,178
Retained surplus	90,166,722	(2,956,243)	87,210,479
<b>Total Equity</b>	<u>90,285,657</u>	<u>-</u>	<u>90,285,657</u>

### As at 1 January 2017

	<u>Under Previous accounting policies</u> \$	<u>AASB 9 Adjustments</u> \$	<u>As Presented</u> \$
<b>Equity</b>			
Reserves	121,818	2,665,628	2,787,446
Retained surplus	91,330,751	(2,665,628)	88,665,123
<b>Total Equity</b>	<u>91,452,569</u>	<u>-</u>	<u>91,452,569</u>

## Adjustments made to statement of profit or loss and other comprehensive income

### Year ended 31 December 2018

	<u>Under Previous accounting policies</u> \$	<u>AASB 9 Adjustments</u> \$	<u>As Presented</u> \$
Other gains and losses	(887,571)	1,267,911	380,340
Loss for the Year	(2,588,054)	1,267,911	(1,320,143)
<b>Other comprehensive income</b>			
Fair value losses on financial assets at fair value through other comprehensive income	-	(1,267,911)	(1,267,911)
Total other comprehensive income	-	(1,267,911)	(1,267,911)
<b>Total comprehensive income</b>	(2,588,054)	-	(2,588,054)

### Year ended 31 December 2017

	<u>Under Previous accounting policies</u> \$	<u>AASB 9 Adjustments</u> \$	<u>As Presented</u> \$
Other gains and losses	453,855	(439,959)	13,896
Loss for the Year	(1,166,912)	(439,959)	(1,606,871)
<b>Other comprehensive income</b>			
Fair value gains on financial assets at fair value through other comprehensive income	-	439,959	439,959
Total other comprehensive income	-	439,959	439,959
<b>Total comprehensive income</b>	(1,166,912)	(1,166,912)	(1,166,912)

The application of these changes in accounting policies had no impact on the cash flows of the Society.

### New Accounting Standards for Application in Future Periods

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2018 reporting periods.

The following new accounting standards are not yet effective but may have an impact on the Association in the financial years commencing on or after 1 January 2019:

#### *AASB 15 Revenue from Contracts with Customers:*

This standard modifies the determination of when to recognise revenue and how much revenue to recognise. The effective date for this standard is for financial years beginning on or after 1 January 2019.

#### *AASB 16 Leases:*

This standard requires lessees to recognise all lease assets and liabilities on the balance sheet and recognise the amortisation of leased assets and interest on lease liabilities over the lease term. The effective date for this standard is for financial years beginning on or after 1 January 2019.

#### *AASB 1058 Income of Not-for-Profit Entities:*

This standard establishes principles for recognising income on transactions where the consideration to acquire an asset is significantly less than fair value and for the receipt of volunteer services. The effective date for this standard is for financial years beginning on or after 1 January 2019.

The Association is currently in the process of determining the potential impact of adopting the above standards.

# financial statements

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**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

*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*

Operating lease payments are recognised as an expense on a straight-line basis over the lease Term.

**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) 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.

**j) 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,

**k) 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.

**l) 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.

**m) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue from events is recognised only when the event has been presented.

*Rendering of Services, including events*

Revenue from rendering of services is recognised in the accounting period in which the services are rendered or the event is held. Royal Show gate revenue is recognised on the period 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 as revenue when the Society gains control, economic benefits are probable and the amount of the donation can be measured reliably.

**n) Assets held for sale**

Assets are classified as held for sale if it is highly probable they will be recovered through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

**o) 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.

# financial statements

## 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.

## 3. Revenue

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

	31/12/2018	31/12/2017
	\$	\$
Exhibition space rental & selling rights	3,573,022	4,057,720
Royal Show space rental, selling rights etc	4,301,345	4,338,984
Royal Show ticket sales	6,055,877	5,170,709
Competitive entry fees & related charges	1,620,824	1,541,549
Catering & car parking	2,521,854	2,482,416
Rental income & electrical charges -property	518,547	402,870
Sponsorship & prizes	1,753,093	1,524,883
Interest received	3,416	5,753
Dividends received	838,155	600,375
Advertising Income	143,854	10,005
Other	583,621	544,320
	<u>21,913,608</u>	<u>20,679,584</u>

## 4. Other gains and losses

Gain on disposal of property, plant and equipment	380,340	13,896
	<u>380,340</u>	<u>13,896</u>

## 5. Trade and other receivables

	31/12/2018	31/12/2017
	\$	\$
Trade receivables	423,736	675,060
Provision for impairment	(44,475)	(44,818)
	<u>379,261</u>	<u>630,242</u>
Goods and services tax (GST) recoverable	78,629	56,453
Dividend Imputation Credits receivable	181,542	115,943
Other	77,462	44,180
	<u>716,894</u>	<u>846,818</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.

## 6. Other current assets

Prepayments	187,266	86,329
Other	20,544	212,187
	<u>207,810</u>	<u>298,516</u>

## 7. Land held for sale

Land held for sale	426,150	-
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In December 2018 the Board resolved to sell the property at 126 Rose Terrace. The sale is expected to be completed in June 2019.

## 8. Non-current financial assets

Quoted investments carried at fair value	8,310,148	9,400,781
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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

<i>At carrying amount:</i>		
Freehold land and buildings	24,839,694	21,171,622
Leasehold improvements	52,850,194	54,164,540
Plant and equipment	9,285,644	10,109,086
	<u>86,975,532</u>	<u>85,445,248</u>

	Freehold land & buildings	Leasehold improvements	Plant & equipment	Total
<i>Cost</i>				
Balance at 31 December 2017	21,535,019	88,627,757	23,517,779	133,680,555
Additions	4,483,730	896,314	379,499	5,759,543
Reclassified as held for sale	(426,150)	-	-	(426,150)
Disposals	(403,215)	-	(49,918)	(453,133)
Balance at 31 December 2018	25,189,384	89,524,071	23,847,360	138,560,815
<i>Accumulated depreciation</i>				
Balance at 31 December 2017	(363,397)	(34,463,217)	(13,408,693)	(48,235,307)
Depreciation expense	(90,174)	(2,210,660)	(1,187,342)	(3,488,176)
Elimination on disposal of assets	103,881	-	34,319	138,200
Balance at 31 December 2018	(349,690)	(36,673,877)	(14,561,716)	(51,585,283)

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.

## 10. Trade and other payables

	31/12/2018 \$	31/12/2017 \$
Trade payables	654,618	458,894
Goods and Services Tax (GST) payable	40,301	48,314
Other	569,417	971,703
	1,246,336	1,478,911

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

## 11. Non-current borrowings

	31/12/2018 \$	31/12/2017 \$
<i>Secured at amortised cost</i>		
Commercial bills	7,500,000	3,900,000

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 commercial bills is 3.62% per annum (2017: 3.11%)

## 12. Provisions

	31/12/2018 \$	31/12/2017 \$
Employee benefits	934,504	885,775
Current	806,979	775,199
Non-current	127,525	110,576
	934,504	885,775

## 13. Other non-current liabilities

Life memberships	142,061	123,175
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## 14. Financing facilities

Secured commercial bill facility		
- Used	7,500,000	3,900,000
- Unused	2,500,000	1,100,000
	10,000,000	5,000,000

## 15. Cash flow information

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

Net current year loss	(1,320,143)	(1,606,871)
Adjusted for:		
Depreciation	3,488,176	3,363,462
Provision for doubtful debt	(343)	404
Gain on disposal of property	(380,340)	(13,896)
Interest received	(3,416)	(5,753)
Dividend Income	(838,155)	(600,375)
Movements in working capital:		
Decrease in accounts receivable and other debtors	130,267	321,610
Decrease/(increase) in prepayments and other assets	90,706	(80,025)
Decrease in trade and other payables	(195,689)	(218,216)
Decrease/(Increase) in provisions	48,729	(37,801)
Balance at end of financial year	1,019,792	1,122,539

# financial statements

## 16. 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.

## 17. Cash and cash equivalents

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

	31/12/2018 \$	31/12/2017 \$
Balance at end of financial year	901,970	682,155

## 18. Operating 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 rental until 24 March 2062. The Society does not have an option to purchase the leased asset at the expiry of the lease period.

## 19. Reserves

Financial assets reserve	1,821,344	2,956,243
Donations and bequests reserve	116,564	118,935
	<u>1,937,908</u>	<u>3,075,178</u>

### *Financial assets reserve*

Balance at beginning of financial year	2,956,243	2,665,628
(Losses)/gains on fair value of financial assets	(1,267,911)	439,959
Transfer losses/(gains) on disposal of financial assets at fair value through other comprehensive income	133,012	(149,344)
Balance at end of financial year	<u>1,821,344</u>	<u>2,956,243</u>

### *Donations and bequests reserve*

Balance at beginning of financial year	118,935	(121,818)
Interest earned	2,262	2,253
Expenses paid out	(4,929)	(5,736)
Donations and bequests received	296	600
Balance at end of financial year	<u>116,564</u>	<u>118,935</u>

## 20. Retained surplus

	31/12/2018 \$	31/12/2017 \$
Balance at beginning of financial year	87,210,479	88,665,123
Loss for the year	(1,320,143)	(1,606,871)
Transfer (to) / from reserves	(130,641)	152,227
Balance at end of financial year	<u>85,759,695</u>	<u>87,210,479</u>

## 21. Remuneration of auditors

Audit of the financial report	16,200	15,900
Other advisory services	22,450	-
	<u>38,650</u>	<u>15,900</u>

## 22. Capital expenditure commitments

<i>Not later than 1 year</i>		
Leasehold Improvements	-	-

## 23. 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.

## 24. 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 2018, the Archives Foundation generated total revenue of \$83,902 including \$67,607 in financial support by the Society and, after deducting operating expenses, reported a net surplus of \$21,509 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 2018, the Education Foundation generated total revenue of \$117,536 including \$95,619 in financial support from the Society. After providing educational scholarships of \$75,561 reported a net surplus of \$30,246.

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 2018, the Scholarship Fund generated total revenue of \$13,885 including \$13,770 in tax deductible donations. After providing educational scholarships of \$11,000, the fund reported a net profit of \$2,885. 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*.



**Rob Hunt**, *President, RA&HS of SA Inc.*  
Adelaide, 15 March 2019



**Robert Snewin**, *Treasurer, RA&HS of SA Inc.*  
Adelaide, 15 March 2019

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF 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 2018, 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 2018 and of its financial performance for the year then ended; and
- ii. Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

##### Basis for 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* (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 obtained at the date of this auditor's report is information included in the registered entity's annual report, 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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

BDO Audit (SA) Pty Ltd

G K Edwards  
Director  
Adelaide, 15 March 2019



# society suite of brands



ROYAL AGRICULTURAL & HORTICULTURAL SOCIETY OF SOUTH AUSTRALIA INCORPORATED





PRESENTING PARTNER  
**bankSA**



royal  
adelaide  
wine  
show



# THE SOCIETY

ANNUAL REPORT 2018

Royal Agricultural & Horticultural Society of South Australia Incorporated

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