



ROYAL AGRICULTURAL &
HORTICULTURAL SOCIETY OF
SOUTH AUSTRALIA INCORPORATED



THE SOCIETY

ANNUAL REPORT 2019





society suite of brands





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*Front cover: 25th World Routes Development Forum in September
Above: 2019 Royal Adelaide Show SA Merino School Wether Competition -
the largest single sheep class ever assembled in the world. Photo: Ian Turner*

board



Robert J Hunt
President & Trustee



Trevor G James
Chairman Council



Hamish C Findlay
Deputy Chairman Council



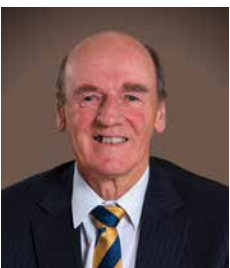
Robert L Snewin
Treasurer & Trustee



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

our charter

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

- WHAT WE DO -

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

- WE VALUE -

History – We value our historical origins and traditions;
Excellence – A culture of excellence is fostered to recognise the valuable contribution of our members, councillors, volunteers and employees;

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

Environment – As an environmental leader we strive to minimise the impact of our actions;

Reputation – We value our high standing within the South Australian community and the iconic status of the Royal Adelaide Show;

Sound financial management – In a financially responsible manner we actively manage and develop our portfolio of assets, and

Innovation – We embrace the future and the opportunities it presents.

- WE MEASURE OUR SUCCESS BY -

Competitive entries and 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.

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	Andrew M Hardy - TRUSTEE	Belinda A Cay	Michael P Siebert
Hamish C Findlay - COUNCIL DEPUTY CHAIRMAN	Charlie M Downer - TRUSTEE		

CHIEF EXECUTIVE

John W Rothwell

EXECUTIVE COMMITTEE - INC. BOARD

Felicity A Brake	Tim J Donaldson	Nicola Feeney	Francis J McEvoy	Allan M Piggott	William A Seppelt
Tim SG Buxton	Simon J Fahey	Trevor W Linke	Grant Octoman	Graham T Reu	

COUNCIL

Thomas E Ashby	Fiona L Donald	Richard F Haynes	Richard J McFarlane	John E Schutz
Tom RS Baker	Timothy J Donaldson	Andrew R Hentschke	Elizabeth M McGee	Edward D Scott
Claire A Bennett*	Brett Draper	Matthew Hill Smith	Karen McIntyre*	Pamela K Seppelt
Warwick Billings *	Andrew R Duncan	David J Hubbard	Joy Middleton	William A Seppelt
Michael C Blenkiron	Peter J Elkin	Graeme P Hyde	Dennis R Mutton,JP	David R Shannon
Ann L Bone	Simon J Fahey	Trevor G James	Sid G Nicholls	Emma K Shaw
Felicity A Brake	Peter T Fanning	Tony T Jones	Boyd C Octoman	Todd L Shone
Graham R Brand	Nicola Feeney	Peter Karytinios	Grant Octoman	Michael P Siebert
Bob W Burdon	Anne Fletcher	Sean J Kay *	Gino Pacitti	Peter P Smith
Adrian G Burgess	Greg Follett	Greg A Klatt	Brian Parker *	Robert L Snewin
Bill R Burgess	Chris W Francis*	Carol Knezevic	Allan M Piggott	Karen D Stables
Robert J Butler	Darryl W Freer	Janet Kuys	Ray Pincombe	Lynne M Stapylton
Peter O Button	Geoffrey Fuller	Kate J Laurie	Kerry Porter*	Christopher J Thompson
Tim SG Buxton	Mike D Fullgrave	Colin W Lessue	Allan Potter, FCA	A Nicholas Wadlow
Trevor Camac *	Michael C Gale	Rex L Liebelt	Bruce WA Redpath	Alister AT Walsh
Michael B Camac	Peter W Godden *	Cheryl L Liebich	Shane FJ Reidy	Cheryl K Wandel
Vido Cappelletto *	Jock VE Gosse	Trevor W Linke	Graham T Reu	Damian P Wilson
Belinda A Cay	Susie E Green *	Mark Llewellyn	J William Richards	Neil S Wittwer
Matt LJ Cooper*	Jonathan S Hall	Andrew J Lock	William J Rowett	Frank J Young
David H Copping	Neville M Hallion	Brian W Mahomet	Nick L Ryan	John F Ziesing
Lachlan J Day	Andrew M Hardy	Francis J McEvoy	Susan J Ryan	
Mark J Doecke*	Robert R Hart	Bruce F McFarlane	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	Ian B Digby	Raelee J Hedger	Dean M Pettman	Colin J Tindall, RFD, LLB
John S Ayers	Jock G Duncan, AM	Leith C Jenkins, OAM	Dr John C Radcliffe, AM, FISE	Glen L Trengove
Robert D Battams	Walter H Duncan	Robert A Jenssen	Trevor M Randford	Richard T Walsh, AM
Frank T Beauchamp	David L East	Philip L Laffer, AM	David N Read	Malcolm J Wandel
Barrie J Beaumont	Colin L Ekers	Colin E Lienert, OAM	Lea C Richens	Murray G Weston
Keith A Bennett	David W Fechner	Rob W Linn	Mark F Robertson	Glenys R White
Howard J Bone	Richard W Fewster	John H Lloyd	Ian B Sanders	Alan C Wilson
Thomas W Bowden, OAM	Raymond L Fiebiger	Bruce W Lockier	Gary Schulz	Phillip E Withers
Royce A Bowyer	Richard G Fishlock	Robert J Lott	Michael JD Scott, OAM, ASM	Ronald J Wright
David M Cain, PSM	Ken H Follett	Ian A McGowan	Karl J Seppelt, AO	Ian L Young
Robin P Coleman	Peter S Gill, OAM	Andrew J Michael	Maxwell K Smart	James W Young
Owen F Croser	Colin R Gramp, AM	Andrew M Michael	Paul GC Smith	
Graham PC Day	Robert W Hamdorf, APM,JP	Alistair S Murray	Darryl K Squiers	

president's report



Rob Hunt, President, RACS of SA Inc.

The 2019 Royal Adelaide Show attracted a strong crowd of over 438,000 over ten days - slightly down on the previous year but, nonetheless, a pleasing result given the tough economic climate, particularly for regional Show-goers. Ticket prices at the gate were increased slightly by 50 cents for adults and children and \$1.50 per family pass. In line with the drop-in attendance, overall revenue from Show ticket sales decreased by 5%, however, the venue performed well across the year and with various saving initiatives the Society has delivered an increased operating result to \$2.4 million against \$2.1 million in 2018.

The Show continued to make a healthy economic contribution to South Australia, achieving a gross economic impact of approximately \$170 million in 2019. Carnival and Showbag operators both experienced a slight decrease in revenue, however, spend per head increased by 5.3 and 4.8 per cent respectively, which was a positive result. Revenue from commercial exhibitors increased significantly, with the Goyder Food & Wine, Jubilee Pavilion, Pet Centre and Market Bazaar zones performing particularly well.

The Royal Show's diverse and ever-changing food and beverage offerings struck a chord with Show-goers, with total catering revenue increasing on average per head from \$13.81 to \$14.70.

The 2019 Royal Adelaide Show was also a year of milestones, with two of our feature breeds - Polwarth Sheep and Angus Beef Cattle - celebrating 100-year anniversaries, and the wonderful Skymaster Ferris Wheel marking its 50th birthday with the installation of a new audio and light display.

Show supporters and friends, the South Australian Country Women's Association, celebrated their 90th anniversary at the Royal Show with a display of historic memorabilia, tea cosy competition and pop-up craft market, while the Office for Women marked 125 years of Women's Suffrage Bill with a display in the Jubilee Pavilion. Likewise, St John Ambulance whose qualified team provides valuable first aid support each year at the Show - celebrated 135 years, and the Showtime FMX motocross team celebrated 20 years of performing on the Main Arena.



The 2019 Show food offerings struck a chord, with the average spend per head increasing.

Agricultural education - particularly for young people - continued to be a major focus of the Show, with events like the Young Farmers Challenge, Young Rural Ambassador program and SA Merino School Wethers Competition shining the light on our State's emerging agricultural stars. Behind-the-scenes, a team of young people started on their journey to become cookery stewards by taking part in a mentoring scheme with experienced Show cookery judges.

The Show Society Foundation continued its good work in raising funds for young people pursuing careers in agriculture. \$13,420 was raised at the annual Show official lunch, with special guest presentation by Fiona Simson, President of the National Farmers Federation, while the inaugural Royal Show Race Day - held shortly after the Show - raised \$9,870 for the Foundation. In addition, the Demonstration Artists program, which see local artists paint Show-inspired artworks live at the Show, is on track to raise significant funds for the Foundation, with all the created artworks to be auctioned later this year.



Supporting the Show Society Foundation, local artists painted artworks live during the 2019 Show, with the artwork to be auctioned later this year.



The Society also announced plans for a \$7.5 Million redevelopment of the South-East corner of the Showground, providing a multi-purpose venue for use for the Horse Competition during Show, the newly launched Adelaide Showground Caravan Park & Cirque du Soleil.

In the ever-popular Woodchopping Arena, the Axe-throwing competition produced its first female winner - Dianna Slater from Tasmania. There was fierce rivalry between Australia and New Zealand in the Women's, Under 21s and Veteran's categories, however celebrations were tempered by the passing of a much-loved New Zealand axeman, who suffered a heart attack at the Woodchopping Arena on the first Saturday of the Show. Reflecting the true spirit of the Show, more than \$11,000 was raised by the woodchopping community for the axeman's family.

The Showground's events team also enjoyed a productive 2019, re-signing several long-term clients and attracting several new events to the Adelaide Showground, including the major international aviation conference, World Routes.

In 2019 the Society also announced plans for a \$7.5 million redevelopment of the south-east corner of the Adelaide Showground, including construction of a caravan park and event venue that will host major events such as Cirque du Soleil.



25th World Routes Development Forum in September, an international aviation event that attracted over 90 international exhibitors, and around 2,000 delegates.

Community support

Giving back to the South Australian community is a core value of the RA&HS, and the Society provided over \$325,000 worth of Show tickets and associated items, including ride, showbag and meal vouchers, to charities and community groups in 2019. In addition, the Show Brunch raised \$14,383 with funds going to the KIDS Foundation supported by Dr Richard Harris, and the Country Women's Association raised considerable funds for their Emergency Aid Fund.

In addition, the Show Society Foundation continued to support the State Rural Ambassadors Program, 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 2019.

Rob Hunt, President, RA&HS of SA Inc.
Adelaide, 13 March 2020



Revenue from Commercial exhibitors increased significantly compared to the 2018 Show.

chairman's report



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

The value of agriculture to our State, and learning more about where our food comes from, were dominant themes at this year's Royal Adelaide Show. One of the key ways we achieved this was through our flourishing competitive sections, which attracted 30,916 entries across 61 sections in 2019. A pleasing six sections recorded their highest number of entries - Junior Textiles, Beer, Dog Grooming, Miniature Goats, Honey and Junior Judging competitions.

On a similar theme, thousands of Show-going families took the opportunity to learn more about the importance of agriculture in South Australia by following the free #Agplorers Track, while the Yellow Brick Road showbag continued to highlight local food producers.

Displays of our various feature breeds attracted many Show-goers and did an effective job of showcasing the high standard of entries received. Likewise, the feature breed livestock sections continued to perform well, including Guernsey (Dairy Cattle), Angus (Beef Cattle), Polwarth (Sheep) and Leghorn (Poultry). An interactive display that highlighted barley as the feature grain was a popular



The 2019 Yellow Brick Road showbag continued to highlight local food producers.

attraction in the Golden Grains Pavilion, while stunning displays of this year's feature flower, the protea, drew crowds in the Horticulture section.

Many South Australian schools demonstrated their agricultural talents at this year's Show, such as Renmark High School who made their debut appearance at the Schools Merino Wethers Competition thanks to a scholarship from the Show Society Foundation. Competitive entries from school children were also evident in many other areas of the Show, including the Junior Art and Craft, Technology and Cookery competitions.

In 2019 an Annual General Meeting and four Council meetings were held. Likewise, regular competitive section meetings were staged and over 950 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.



The 2019 Sheep Feature Breed - Polwarth. Photo: Stan Gorton - The Islander



The 2019 Show saw record entries for the Junior Textiles competition.

CHANGES TO THE SOCIETY'S COUNCIL IN 2019 INCLUDE;

CHANGES TO EXECUTIVE COMMITTEE

Appointments

Trevor W Linke
Tim J Donaldson
Simon J Fahey

Resignations

Bob Battams
David Hubbard

CHANGES TO COUNCIL

Resignations

Keith Bennett (Beef)
Adrienne Clarke * (Diverse Farming)
Raymond Fiebiger (Dairy Cattle & Pig)
Raelee Hedger (Dogs)
Hamish Findlay (Horse)
Andrew Michael (Horse)
Nicholas Simpson (Horse)
David Read (Woodchopping)
Paul Smith (Woodchopping)
Ian Sanders (Grains & Fodder)
Daryl Squiers (Diverse Farming)
Bob Battams (Diverse Farming)
Heather Robertson * (Horticulture)

Appointments

Mark Llewellyn (Beef Cattle)
Kerry Porter * (Diverse Farming)
Greg A Klatt (Dairy Cattle & Pig)
Lynne M Stapylton (Dogs)
Edward D Scott (Horse)
Peter J Elkin (Horse)
Matthew Hill Smith (Horse)
Todd L Shone (Woodchopping)
Karen D Stables (Woodchopping)
Neil S Wittwer (Grains & Fodder)
Peter T Fanning (Diverse Farming)
Vido Cappelletto * (Horticulture)
Bill R Burgess (Grains & Fodder)
Simon J Fahey (Beer, Cider & Spirit)
Warwick Billings * (Beer, Cider & Spirit)
Tony T Jones (Beer, Cider & Spirit)

*Ex-Officio



The 2019 Dairy Cattle Feature Breed - Guernsey.

CHANGES TO HONORARY COUNCILLORS

Appointments

Keith Bennett (Beef)
Raymond Fiebiger (Dairy Cattle & Pig)
Raelee Hedger (Dogs)
Andrew Michael (Horse)
David Read (Woodchopping)
Paul Smith (Woodchopping)
Ian Sanders (Grains & Fodder)
Daryl Squiers (Diverse Farming)
Bob Battams (Diverse Farming)

LONG SERVING VOLUNTEER AWARDS

Simon Michael - Pastoral Committee
Chris Paltridge - Pastoral Committee
Mari Lowden - Dog 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.

John G Donaldson – Pastoral Committee (1973 – 1999)
Neil S Henderson – Pastoral Committee (1994 – 2012)
R Keith McFarlane – Beef Cattle Committee (1999 – 2015)

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, 13 March 2020

chief executive's report



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

ROYAL ADELAIDE SHOW

The overall goal of the 2019 marketing campaign was to generate awareness of the event and encourage patrons to pre-purchase their Show tickets. This year's tagline was 'The Show of a Lifetime', with a focus on promoting the Show as a value for money event. The advertising schedule included a combination of mainstream media, such as print and TV, and an increased focus on digital media across a number of platforms. The annual Show Magazine had a print-run of 430,000 and a readership of over 1.2 million ensuring the Show was front-of-mind for all South Australians.

The 2019 Show had a strong social media presence (89,000 on Facebook) and high levels of user engagement. Live streaming was again popular, with the Horses-In-Action, Woodcutting and Dogs events streamed live via Facebook and the Stock Journal. Total website page views were 1,492,377, with pages per session up. Over 78 per cent of people viewed the website from a mobile device - an increase of three per cent.

The Royal Adelaide Show continued to attract strong sponsorship support from South Australian and national sponsors. Our much-valued presenting partner continued to be BankSA - they also hold naming rights for the #Agsplorers Track, Farmyard Nursery and Discount Ride Coupons. Channel Nine Adelaide continued their status as our premier partner in 2019, providing a high level of exposure for the Show. Thanks also to our major sponsors, corporate partners and medallion supporters - all of whom play a vital role in delivering the Show to thousands of South Australian families. Thank you also to the hundreds of individual South Australians and small businesses who sponsor prizes and sections.

Many patrons used public transport to get to the Show. The Department of Planning, Transport & Infrastructure reported that 47,574 people validated their tickets at the Adelaide Showground Station, while busses recorded 21,317 validations. Of those who drove to the Showground, just under 35,000 vehicles parked in the Adelaide Parklands, while many others utilised parking at the Netball Stadium and SA Power Networks.



The Show Magazine had a readership of 1.2 million, ensuring the Show was front-of-mind for all South Australians.

ROYAL ADELAIDE WINE SHOW

The 2019 Royal Adelaide Wine Show attracted a high standard of entries across all classes, with 2,647 entries received from 351 wineries. Shiraz continued to be the most represented wine at the Show, with 600 entries judged and 31 gold medals awarded. In the Cabernet Sauvignon class over 300 wines were judged and 22 golds awarded, while the third most common variety was Chardonnay, which saw 13 gold medals presented.

The Max Schubert Trophy for Most Outstanding Red Wine in Show was won by Rosemount Estate for its 2017 Balmoral Syrah, while the George Fairbrother Memorial Trophy for Most Outstanding White Wine in Show went to Deep Woods Estate Reserve Chardonnay 2018. The Gramp, Hardy, Hill Smith Prize for Outstanding Wine of Provenance was won by Peter Lehmann Wines for their Wigan Riesling (2014, 2006, 2004).



SupaNova ComicCon & Gaming Expo was one of the broad portfolio of public exhibitions held at the Adelaide Showground in 2019.



RnB Fridays music festival returned to the Adelaide Showground in 2019, attracting audiences of nearly 20,000

ADELAIDE SHOWGROUND

The highlight of the 2019 calendar was the presentation of the 25th World Routes Development Forum in September, an international aviation event that attracted over 90 international exhibitors, and around 2,000 delegates. The Showground worked with the South Australian Tourism Commission and the Europe-based organisers, Informa Markets, to present an event that was widely acclaimed for the suitability of the venue and quality of the catering. Our involvement with World Routes provided a springboard to showcase our local produce, extend our wi-fi capabilities within the exhibition pavilions, and develop our sustainable waste management practices. The event has allowed the Adelaide Showground to engage in the international market where events require predominantly exhibition space.

On the domestic front, Adelaide Showground maintained its position as one of South Australia's most visited venues with more than 900,000 people attending almost 260 events throughout the year. Our broad portfolio of public exhibitions attracted significant consumer support, including the Let's Go Caravan & Camping Show, the 4WD & Adventure Show, SupaNova ComicCon & Gaming Expo and three Home shows.

Music festivals have been a feature of the Adelaide Showground since 1994 when we first hosted the Big Day Out, and the Showground has been at the forefront of the music festival revival in recent years. In 2019, Groovin' the Moo (April), Spin Off (July) and RnB Friday (November) all attracted audiences approaching 20,000 people. The established facilities and expertise at the Adelaide Showground has proven essential to the success of these events.

The year delivered a record financial return for the Adelaide Showground business and we anticipate further growth in the coming year with Cirque du Soleil confirmed for a five-week season in June, Adelaide Festival again including the Ridley Centre in their programme, and Flight Centre choosing Goyder Pavilion for all three of their consumer events.

INDUSTRY ASSOCIATIONS

The Society continues to provide support and secretarial services, through its Rural Services Division, to 20 industry associations which included;

Agricultural Societies Council of SA,
 Angus Society of Australia (SA Branch),
 Australian Dohne Breeders Association,
 Australian Dorper and White Dorper, Association Inc,
 Australian White Sheep Breeders Association,
 Australian Pig Breeders Association - SA Branch,
 Australia Poll Dorset Association (Adelaide Region),
 Australia Stud Sheep Breeders Association - 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 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.

chief executive's report

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 professional.

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

Arkaba Hotel

Australian Broadcasting Corporation

Australian Petroleum Production & Exploration Association (APPEA)

Big Screen Video

Braud Australia

CCL Label Solutions

CNH Industrial Australia

Coca-Cola Amatil

Coopers Brewery Limited

Duxton Capital Australia

Elders Limited

Fleurieu Milk & Yoghurt Company

Golden North

Landmark

Laucke Mills

Metcash Food and Grocery

Nova Entertainment Pty Ltd

Nufarm

Primary Industries and Regions SA - PIRSA

RAA

Rabobank

SH Rowe

Spring Gully Foods Pty Ltd

SUEZ

The Advertiser

Vili's

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 Planning, Transport & Infrastructure – Public Transport Division, Girl Guides Association (SA) Inc, Lions International, Office of Consumer & Business Affairs, 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, 13 March 2020



The 25th World Routes Development Forum in September, an international aviation event that attracted over 90 international exhibitors, and around 2,000 delegates.



Most Outstanding Red Wine in Show: Luke Mallaby, Rosemount Estates, Most Outstanding White Wine in Show: Ben Hill-Ling, Deepwoods Estate.

key statistics & information

\$1.41 MILLION
OPERATING SURPLUS FOR THE YEAR

\$1.93 MILLION
NET CASH IN FROM OPERATIONS

\$714,000
REVENUE FROM INVESTMENTS (DIVIDENDS)

\$627,000
PROFIT ON SALE OF PROPERTY, SHARES AND OTHER ASSETS

\$4.2 MILLION
INVESTMENT IN CAPITAL DURING THE YEAR

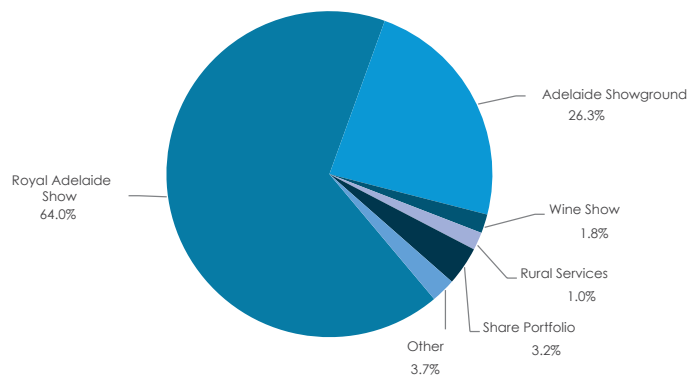
DECREASE OF \$2.3M
MOVEMENT IN BORROWINGS FOR THE YEAR

COMPETITIVE ENTRIES
30,916

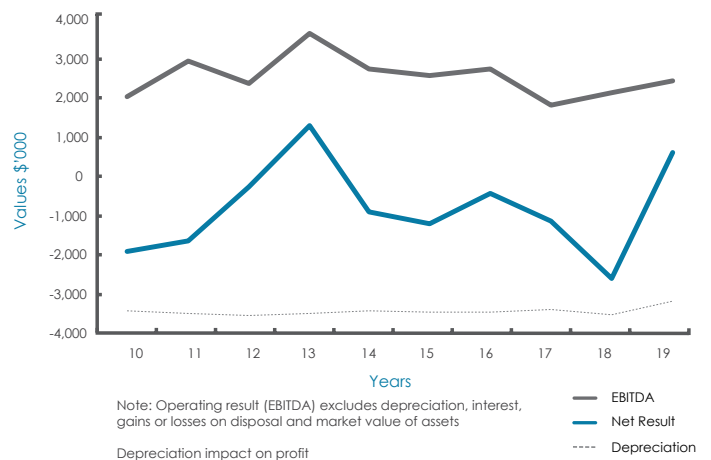
Operating surplus of 6.3% of gross turnover reflects a solid result in a weak consumer economy where discretionary spending by consumers is reducing with ongoing competition between events for this discretionary dollar.

Capital expenditure for the year included first stages of the South East Precinct development (\$3.5M), WiFi upgrade (\$183K) and replacement of a high voltage switching cubicle (\$100K).

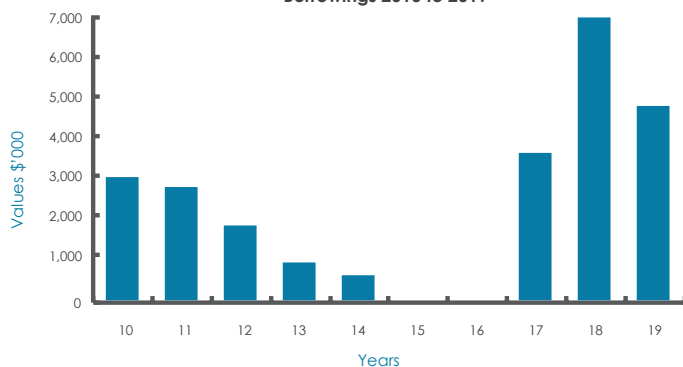
Revenue by Sector 2019



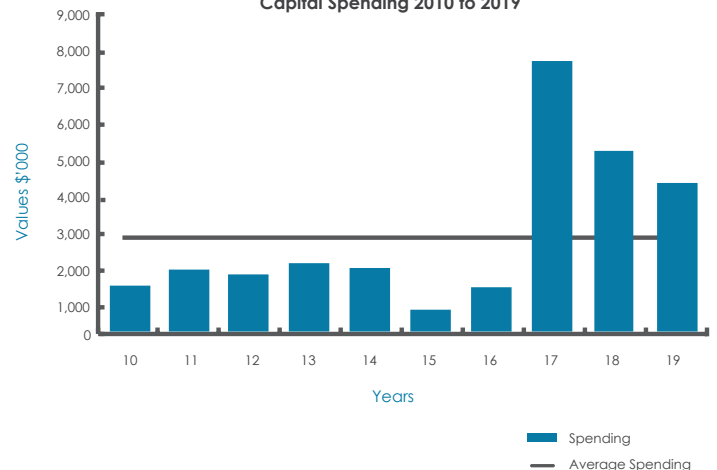
EBITDA & Net Results 2010 to 2019



Borrowings 2010 to 2019



Capital Spending 2010 to 2019



treasurer's report



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

The operational result of \$ 1,412,046 after adjusting for investment results, amortisation of government grants (*) and depreciation is detailed below. Depreciation for the year of \$3,152,247 includes \$1,015,040 relating to assets funded by government grants. The Society continues to achieve a positive operational result in a year of challenging economic conditions both at state level and nationally.

The net income for the year of \$554,626 includes the impacts of unrealised gains on investments reduced by annual depreciation on fixed assets.

	2019 \$'000	2018 \$'000
Loss for the year	(401)	(1,320)
Deduct investment results:		
Realised gain on disposal of property, plant and equipment	625	380
Dividend Income	714	838
	(1,740)	(2,538)
Amortisation of Govt Grant over estimated life cycle of related assets (*)	1,015	1,046
Operational Result	(725)	(1,492)
Deduct depreciation on assets not funded by Govt Grant	2,137	2,442
Operational Result before depreciation	1,412	950

(*) 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 first stages of the re-development of the South East Showground precinct which commenced in late 2019. After recognising cash inflows through borrowings, the Society recorded a net decrease in cash for the year.

Revenue for the year increased slightly in comparison to 2018 with expenditure, excluding unrealised gains on investments and depreciation, also increasing marginally. This is a solid result in a weak consumer economy where discretionary spending by consumers is reducing as the cost of living rises with ongoing competition between events for this discretionary dollar.

Capital expenditure for the year included first stages of the South East Precinct development (\$3.5M), WiFi upgrade (\$183K) and replacement of a high voltage switching cubicle (\$100K).

INVESTMENTS

The Society's investment portfolio remained strong, recording an unrealised gain of \$953,365 for the year. 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 Ord Minnett Pty Ltd, completed a number of transactions, covering both acquisitions and disposals, resulting in net acquisitions of \$40,186. Gross dividends of \$714,367 were received during the year.

The Board approved 20% of dividend franking credits (\$54,994) 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 2019 increased 35% over previous year levels to \$491,029 with premiums increasing as a function of a significantly hardening insurance market. The 2019 insurance policy period was adjusted in 2019 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, 13 March 2020

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Statement of Profit or Loss and other Comprehensive Income For the year ended 31 December 2019

	<u>Notes</u>	<u>Year ended</u> <u>31/12/2019</u> \$	<u>Year ended</u> <u>31/12/2018</u> \$
Revenue	3	22,450,557	21,913,608
Other gains and losses	4	625,458	380,340
Administration expenses		(2,016,852)	(1,786,568)
Advertising and promotion expenses		(725,527)	(825,900)
Depreciation expenses		(3,152,247)	(3,488,176)
Employee benefits expense		(5,160,542)	(4,942,491)
Event expenses		(8,177,673)	(8,218,605)
Finance costs		(287,459)	(320,144)
Maintenance and service of grounds		(2,842,225)	(3,034,859)
Other expenses		(1,113,896)	(997,348)
Loss For The Year		(400,406)	(1,320,143)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value gains/(losses) on financial assets at fair value through other comprehensive income		955,032	(1,267,911)
Total other comprehensive income for the year		955,032	(1,267,911)
Total Comprehensive Income For The Year		554,626	(2,588,054)

Notes to the financial statements are included on pages 19 to 25

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Statement of Financial Position

As at 31 December 2019

	Notes	As at 31/12/2019 \$	As at 31/12/2018 \$
<i>Current assets</i>			
Cash and bank balances	17	218,787	901,970
Trade and other receivables	5	1,201,431	716,894
Other assets	6	286,443	207,810
Land held for sale	7	-	426,150
Total Current Assets		1,706,661	2,252,824
<i>Non-current assets</i>			
Financial assets	8	9,305,366	8,310,148
Property, plant and equipment	9	87,964,047	86,975,532
Total Non-Current Assets		97,269,413	95,285,680
Total Assets		98,976,074	97,538,504
<i>Current liabilities</i>			
Trade and other payables	9, 10	4,199,368	1,264,336
Provisions	12	921,859	806,979
Total Current Liabilities		5,121,227	2,071,315
<i>Non-current liabilities</i>			
Borrowings	11	5,170,269	7,500,000
Other liabilities	13	326,872	142,061
Provisions	12	105,477	127,525
Total Non-Current Liabilities		5,602,618	7,769,586
Total Liabilities		10,723,845	9,840,901
Net Assets		88,252,229	87,697,603
Equity			
Reserves	19	2,888,853	1,937,908
Retained surplus	20	85,363,376	85,759,695
Total Equity		88,252,229	87,697,603

Notes to the financial statements are included on pages 19 to 25

Statement of Cash Flows
For the year ended 31 December 2019

	Notes	Year ended 31/12/2019 \$	Year ended 31/12/2018 \$
Cash flows from operating activities			
Receipts from customers		24,063,316	22,930,548
Payments to suppliers and employees		(21,841,083)	(21,590,612)
Cash generated from operations		2,222,233	1,339,936
Interest paid		(287,459)	(320,144)
Net cash generated by operating activities		1,934,774	1,019,792
Cash flows from investing activities			
Payments to acquire financial assets		(310,747)	(513,860)
Proceeds on disposal of financial assets		270,561	336,582
Interest received		12,379	3,416
Dividends received		714,367	838,155
Payments for property, plant and equipment	9	(1,354,437)	(5,759,543)
Proceeds from disposal of property, plant and equipment		1,149,920	695,273
Net cash generated by/(used in) in investing activities		482,043	(4,399,977)
Cash flows from financing activities			
Proceeds from borrowings		2,700,000	9,800,000
Repayment of borrowings		(5,800,000)	(6,200,000)
Net cash (used in)/generated by financing activities		(3,100,000)	3,600,000
Net (decrease)/increase in cash and cash equivalents		(683,183)	219,815
Cash and cash equivalents at beginning of the year		901,970	682,155
Cash and cash equivalents at end of the year	17	218,787	901,970

Notes to the financial statements are included on pages 19 to 25

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Statement of Changes in Equity for the year ended 31 December 2019

	<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 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
Loss for the year	20	(400,406)	-	-	(400,406)
Other comprehensive income		-	955,032	-	955,032
Transfer – profit on disposal of financial assets at fair value through other comprehensive income	19	1,667	(1,667)	-	-
Transfer – Donations & Bequests	19	2,420	-	(2,420)	-
As At 31 December 2019		85,363,376	2,774,709	114,144	88,252,229

Notes to the financial statements are included on pages 19 to 25

Notes to the financial statements

For the year ended 31 December 2019

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 the following new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), for which the recognition and measurement requirements are mandatory for the current reporting period.

AASB 16 Leases

The Society has adopted AASB 16 with a date of initial application of 1 January 2019, which replaces AASB 117 'Leases' and eliminates the classifications of operating leases and finance leases for lessees. The standard requires lessees to recognise right-of-use assets and lease liabilities on the statement of financial position, and recognise depreciation on right-of-use assets and interest on lease liabilities over the lease term. As a result the Society has changed its lease accounting policy as detailed in the significant accounting policies note.

AASB 15 Revenue from contracts with customers

The Society has adopted AASB 15 with a date of initial application of 1 January 2019. This standard provides a single comprehensive model for revenue recognition. The core principle is that revenue is recognised to depict the transfer of promised goods or services at an amount that reflects the consideration to which the Society expects to be entitled in exchange for goods and services.

AASB 1058 Income for not-for-profit entities

The Society has adopted AASB 1058 with a date of initial application of 1 January 2019. This standard replaces AASB 1004 'Contributions' in respect to income requirements for not-for-profit entities. In conjunction with AASB 15, this standard clarifies and simplifies the income recognition requirements that apply to not-for-profit entities by establishing principles for recognising income on transactions where the consideration to acquire an asset is significantly less than fair value.

Impact of adoption

AASB 15, AASB 16, and AASB 1058 were adopted using the modified retrospective approach and as such the comparatives have not been restated. There was no impact on opening retained earnings as at 1 January 2019. The impact of the new Accounting Standards compared with the previous Accounting Standards was not material to the Society.

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

a) Borrowings

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

b) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

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

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

c) Financial assets

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

Financial assets at fair value through profit or loss

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

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

Fair value of financial assets

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

d) Goods and services tax

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

e) Impairment of assets

At the end of each reporting period, the Society reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

f) Income Tax

The Society is exempt from Income Tax.

g) Leases

Society as lessor

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

Society as lessee

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

The Society has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to the profit or loss as incurred. The Society has also elected not to recognise a right-of-use asset at fair value for peppercorn leases. Further information on this lease is disclosed at note 18.

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.

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m) 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.

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.

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.

	31/12/2019	31/12/2018
	\$	\$
Exhibition space rental & selling rights	4,307,353	3,573,022
Royal Show space rental, selling rights etc	4,352,719	4,301,345
Royal Show ticket sales	5,751,152	6,055,877
Competitive entry fees & related charges	1,575,984	1,620,824
Catering & car parking	2,644,702	2,521,854
Rental income & electrical charges -property	614,253	518,547
Sponsorship & prizes	1,779,199	1,753,093
Interest received	12,379	3,416
Dividends received	714,367	838,155
Advertising Income	169,441	143,854
Other	529,008	583,621
	22,450,557	21,913,608
4. Other gains and losses		
Gain on disposal of property, plant and equipment	625,458	380,340
	625,458	380,340

5. Trade and other receivables

	31/12/2019 \$	31/12/2018 \$
Trade receivables	705,523	423,736
Provision for impairment	(29,642)	(44,475)
	675,881	379,261
Goods and services tax (GST) recoverable	321,129	78,629
Dividend Imputation Credits receivable	102,569	181,542
Other	101,852	77,462
	1,201,431	716,894

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	240,452	187,266
Other	45,991	20,544
	286,443	207,810

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 was completed in August 2019.

8. Non-current financial assets

Quoted investments carried at fair value	9,305,366	8,310,148
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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

	31/12/2019 \$	31/12/2018 \$
<i>At carrying amount:</i>		
Freehold land and buildings	24,812,757	24,839,694
Leasehold improvements	54,131,608	52,850,194
Plant and equipment	9,019,682	9,285,644
	87,964,047	86,975,532

	Freehold land & buildings	Leasehold improvements	Plant & equipment	Total
<i>Cost</i>				
Balance at 31 December 2018	25,189,384	89,524,071	23,847,360	138,560,815
Additions	121,227	3,410,392	707,455	4,239,074
Disposals	(22,875)	(822,314)	(857,633)	(1,702,822)
Balance at 31 December 2019	25,287,736	92,112,149	23,697,182	141,097,067
<i>Accumulated depreciation</i>				
Balance at 31 December 2018	(349,690)	(36,673,877)	(14,561,716)	(51,585,283)
Depreciation expense	(125,289)	(2,087,510)	(939,448)	(3,152,247)
Elimination on disposal of assets	-	780,846	823,664	1,604,510
Balance at 31 December 2019	(474,979)	(37,980,541)	(14,677,500)	(53,133,020)

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.

Non cash transactions

Included in additions to property, plant and equipment for the year are leasehold improvements to the value of \$2,879,637 which are recorded as non-cash transactions. Of this, \$770,245 has been settled during the year directly utilising a portion of the unused financing facility reflected in Note 14. An additional \$2,184,392 will be settled in the same way subsequent to year end, and is held as a liability in trade payables at 31 December 2019.

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10. Trade and other payables

	31/12/2019 \$	31/12/2018 \$
Trade payables	2,999,183	654,618
Goods and Services Tax (GST) payable	64,078	40,301
Other	1,136,107	569,417
	<u>4,199,368</u>	<u>1,264,336</u>

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

<i>Secured</i>		
Bank finance facility	<u>5,170,269</u>	<u>7,500,000</u>

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 3.25% per annum (2018: 3.62%)

12. Provisions

Employee benefits	<u>1,027,336</u>	<u>934,504</u>
Current	<u>921,859</u>	<u>806,979</u>
Non-current	<u>105,477</u>	<u>127,525</u>
	<u>1,027,336</u>	<u>934,504</u>

13. Other non-current liabilities

Life memberships	<u>126,872</u>	<u>142,061</u>
Other payables	<u>200,000</u>	<u>-</u>
	<u>326,872</u>	<u>142,061</u>

14. Financing facilities

Secured bank finance facility		
- Used	<u>5,170,269</u>	<u>7,500,000</u>
- Unused	<u>9,329,731</u>	<u>2,500,000</u>
	<u>14,500,000</u>	<u>10,000,000</u>

15. Cash flow information

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

	31/12/2019 \$	31/12/2018 \$
Net current year loss	(400,406)	(1,320,143)
Adjusted for:		
Depreciation	3,152,247	3,488,176
Provision for doubtful debt	(14,833)	(343)
Gain on disposal of property	(625,458)	(380,340)
Interest received	(12,379)	(3,416)
Dividend Income	(714,367)	(838,155)
Movements in working capital:		
(Increase)/decrease in accounts receivable and other debtors	(181,241)	130,267
(Increase)/decrease in prepayments and other assets	(78,633)	90,706
Increase/(decrease) in trade and other payables	717,012	(195,689)
Decrease in provisions	92,832	48,729
Balance at end of financial year	<u>1,934,774</u>	<u>1,019,792</u>

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.

Balance at end of financial year	<u>218,787</u>	<u>901,970</u>
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18. 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.

19. Reserves

	31/12/2019 \$	31/12/2018 \$
Financial assets reserve	2,774,709	1,821,344
Donations and bequests reserve	114,144	116,564
	<u>2,888,853</u>	<u>1,937,908</u>
<i>Financial assets reserve</i>		
Balance at beginning of financial year	1,821,344	2,956,243
(Losses)/gains on fair value of financial assets	955,032	(1,267,911)
Transfer (gains)/losses on disposal of financial assets at fair value through other comprehensive income	(1,667)	133,012
Balance at end of financial year	<u>2,774,709</u>	<u>1,821,344</u>
<i>Donations and bequests reserve</i>		
Balance at beginning of financial year	116,564	118,935
Interest earned	2,272	2,262
Expenses paid out	(4,692)	(4,929)
Donations and bequests received	-	296
Balance at end of financial year	<u>114,144</u>	<u>116,564</u>

20. Retained surplus

Balance at beginning of financial year	85,759,695	87,210,479
Loss for the year	(400,406)	(1,320,143)
Transfer from / (to) reserves	4,087	(130,641)
Balance at end of financial year	<u>85,363,376</u>	<u>85,759,695</u>

21. Remuneration of auditors

Audit of the financial report	16,600	16,200
Other advisory services	29,103	22,450
	<u>45,703</u>	<u>38,650</u>

22. Capital expenditure commitments

<i>Not later than 1 year</i>		
Leasehold Improvements	2,178,205	-

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 2019, the Archives Foundation generated total revenue of \$100,821 including \$71,089 in financial support by the Society and, after deducting operating expenses, reported a net surplus of \$83,112 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 2019, the Education Foundation generated total revenue of \$160,262 including \$115,594 in financial support from the Society. After providing educational scholarships of \$78,877 reported a net surplus of \$95,759.

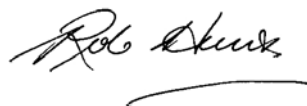
The Society also created a Trust Deed for Royal Agricultural & Horticultural Scholarship Fund which has been registered as a Tax Exempt Charity and Deductible Gift Recipient for Income Tax purposes. During the year ended 31 December 2019, the Scholarship Fund generated total revenue of \$23,513 including \$23,420 in tax deductible donations. After providing educational scholarships of \$8,000, the fund reported a net profit after payment of scholarships of \$15,513. 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, 13 March 2020



Robert Snewin, *Treasurer, RA&HS of SA Inc.*
Adelaide, 13 March 2020



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 2019, 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 2019 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>

This description forms part of our auditor's report.

BDO Audit (SA) Pty Ltd

G K Edwards
Director
Adelaide, 13 March 2020



THE SOCIETY

ANNUAL REPORT 2019

Royal Agricultural & Horticultural Society of South Australia Incorporated

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