



ROYAL AGRICULTURAL &  
HORTICULTURAL SOCIETY OF  
SOUTH AUSTRALIA INCORPORATED



# THE SOCIETY

ANNUAL REPORT 2013



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*Front cover image: Shane Keir, exhibitor at the 2013 Royal Adelaide Show*



# board of management



*(Top L - R) Robert Hunt / Charlie Downer / Trevor James / Andrew Hardy / Hamish Findlay / Bruce McFarlane  
(Bottom L - R) Robert Snewin - Treasurer / John Rothwell - Chief Executive / Richard Fewster - President  
Robert R Hart - Chairman / Keith McFarlane - Deputy Chairman / Jock Duncan AM*

# president's report



*Richard Fewster President, RA&HS of SA Inc.*

Entries in Show competitions continue to rise with four annual records being broken in 10 years and 2013 was no exception, with a staggering 31,280 entries received across 61 competitive sections – an increase of nearly 800 on the previous year. Our Show's continued dominance in the competitive sections arena – the second highest of any capital city Show in Australia – is testimony to the great work done by our sectional committees in promoting their competitions to industry bodies and members. Likewise, a marketing campaign conducted by the Society succeeded in attracting more first-time entrants, a trend we expect to continue in 2014 and beyond.

Attendance overall at the 2013 Show exceeded 473,000 people – a minor drop but a solid result given the tough economic climate and strong competition for the event dollar. Overall, the Royal Adelaide Show generates a gross economic contribution to the State of \$165.1 million, and generating employment for over 6,000 people during the event. Feedback from commercial exhibitors, food and beverage traders, showbag hall operators and carnival operators was exceedingly positive, with 85% of commercial exhibitors saying they will return to the Show in 2014.

Independent research conducted during the Show helped the Society gain valuable insight into show-goers experiences, perceptions and advertising recall. This research found that most people attend the Show to have fun and be entertained, to spend time with family and to enjoy educational experiences for children, with animal and agricultural-themed activities also rating highly. The research also discovered that the average show-goer spends seven hours at the Show, that Show patrons are extremely loyal, with 78% having visited the Show in the past three years, and that 94% of patrons visit the commercial exhibition areas.



*The Gramp, Hardy, Hill-Smith Prize Outstanding Wine of Provenance, Sue Hodder presents Saltram Wine Estate, Richard Mattner with prize*

The 2013 Royal Adelaide Wine Show also enjoyed a good year, attracting over 2,600 entries from over 300 wine producers. The Barossa's Saltram Wines won the Most Outstanding Red Wine in Show title and the Gramp, Hardy, Hill Smith Prize for Outstanding Wine of Provenance, while the Yarra Valley's Coldstream Hills won the new Best White Wine in Show award. Also new in 2013 was a school-made wine competition, which attracted more than 60 entries and was won by Renmark High School.

Giving back to the community is at the centre of what we do, and the Society provided over \$200,000 in cash and goods to scholarship recipients and charitable organisations in 2013. Likewise, encouraging young people to pursue careers in agriculture remained a key focus of the Society, with the Society's Education Foundation providing financial support to a range of programs including the Rural Ambassadors Program, Junior Heifer Expo, Rural Media Awards, Intercollegiate Meat Judging Team and the University of Adelaide agricultural scholarship programs, amongst others. We thank the many businesses and individuals who contribute to the Education Foundation, along with the Archives Foundation, and look forward to launching our Bequest Program in 2014.





2013 crowds eagerly waiting for the gates to open to the Royal Adelaide Show

The Showground's event and exhibition centre enjoyed a strong 2013, despite a global weakening in the event and exhibition market in recent years. New events such as the National Achievers Congress, attended by Sir Richard Branson, and music festival Stereosonic joined the venue's growing stable of regular events, which includes the Boat Show, Caravan & Camping Show and Home Living Expo. Committed to continual improvement to our event business, the team also implemented improvements to the food and beverage offering in the Goyder Pavilion, an online induction process for exhibitors was introduced and an improved waste management system was implemented.

Keeping the venue accessible and up to date is a key goal of the Society's and construction of the permanent train station, funded from the Australian-State Government co-funding for the Goodwood Junction upgrade, at the northern end of the Showground will generate rewards for the venue well into the future. The Adelaide Showground Station will strengthen the Showground's accessibility offering regular train, tram and bus connections, will provide additional options to marketing events and the venue and have a major impact on how people arrive at the Show and other events throughout the year.

Officially opened on February 14, 2014 the Adelaide Showground Station will provide a direct link with the city and an opportunity for our venue to work more cooperatively with other city venues, it also aligns with the Society's strategy to encourage Show patrons to choose public transport as their means of travelling to the Royal Show.

Looking ahead, our attention now turns to the Society's 175<sup>th</sup> anniversary – a remarkable achievement that we will celebrate with gusto. With highlights including the launch of the Society's official history, a gala celebration and a bumper ten-day Royal Adelaide Show, our 175<sup>th</sup> year is shaping up as one to remember.

Finally, on behalf of the Royal Agricultural & Horticultural Society Board I would like to thank the Society staff, sponsors, volunteers, committee members, exhibitors and media partners for their support in 2013 – we look forward to working with them in our 175<sup>th</sup> year and beyond.

Richard W Fewster, *President*  
Adelaide, 14 March 2014



2013 Royal Adelaide Show, Jubilee Pavilion, Commercial Exhibitors

# chairman's report



*Robert R Hart Chairman of Council, RA&HS of SA Inc.*

Perfect spring weather, strong attendance figures and another year of record competitive entries combined to create a superb 2013 Royal Adelaide Show.

From the excitement of the beef cattle ring and woodcutting to the hushed tones of the cookery competition judging in the Goyder Pavilion, recognising excellence in agriculture, horticulture and its associated endeavours remains a key objective of the Royal Adelaide Show. We are delighted with the level of support shown to the competitive sections at the Royal Adelaide Show, demonstrated by the continued high number of entries across all sections. While several categories experienced increases in 2013, several sections, including Alpaca Fleeces, Art & Craft – Junior Technology, Beer, Dogs – Obedience and Agility, Cookery – Open, Judging Competitions and the Strongman contest, achieved record entry numbers. Strong number were also achieved in the Professional Baking, Farriers & Blacksmiths, Goats, Horticulture, Poultry, Pigeons, Rabbits, Sheep, Woodcutting and Wool sections.

The 2013 Show attracted 473,929 visitors – a slight (1.9%) drop on the previous year, however a pleasing result given the challenging economic times. The Royal Adelaide Show enjoys the highest public attendance per capita (29.2%) of any Royal Show in the country.



*Judging at the Show*

Weather was kind during the Show, with temperatures ranging from 16 to 25 degrees, one day of moderate rain and light winds, enabling the fireworks to proceed each night.

In 2013 an Annual General Meeting and four Council meetings were held. Regular competitive section meetings were also held and over 700 judges and stewards were engaged to help adjudicate and administer the Show's 61 competitive sections. Their work was recognised at the annual Judges and Stewards dinner, held on the Tuesday of the Show and a more casual event held in the Bull Bar on the Thursday evening prior to the Show.

The Royal Adelaide Show would not be possible without the 109 volunteer councillors who graciously give their time and expertise to the Society, both during the Show and throughout the year, along with the 700-plus judges and stewards who volunteer their expertise and time each year. Special mention should also be made of the 83 volunteer helpers who worked during the 2013 Show. Launched in 2011 the volunteer program has enjoyed tremendous growth, the total number of guides increasing by over 46% in 2013.



*2013 Royal Adelaide Show Scarecrow Competition*





# chief executive's report



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

## ROYAL ADELAIDE SHOW

The introduction of new ticketing options, a targeted marketing campaign and a diverse program of events saw 473,929 people attend the 2013 Royal Adelaide Show. Presented by IGA, in conjunction with premier partners BankSA, Channel Seven and Coca-Cola Amatil, the Show also secured a record number of competitive entries, a staggering 31,280 recorded across 61 sections.

Experiences, entertainment and exhibitions at the Show were wide and varied, and a strong emphasis was placed on promoting the extensive range of free activities on offer. Among the most popular were the IGA Demonstration Kitchen and ABC Radio Demonstration Stage, both located in the Goyder Pavilion, the Activity Zone, sponsored by PetStock in the Pet Centre, the SA Tourism Commission stand and Multicultural Bazaar, which featured multicultural, fair trade and not-for-profit exhibitors. Crowds also enjoyed the Technology Centre in its new home in the Duncan Gallery, the Walk with the Wild reptile precinct and the Golden Grains display, and sponsored by Olympic Industries SA, The Bull Bar on the western boundary of the Main Arena was extremely popular with the public and exhibitors.



*2013 Royal Adelaide Show IGA Demonstration Kitchen*



*The new Premium Food and Wine from our Clean Environment Trail, introduced to the 2013 Royal Adelaide Show, sponsored by PIRSA*

New in 2013 and sponsored by PIRSA was a Premium Food and Wine Trail, which enabled show-goers to discover our State's clean, green and premium food and wine direct from the producer. Entertainment in the Main Arena remained as popular as ever, in particular the nightly ISUZU Ute's Team D-Max demonstration and everyone's favourite, the Farmers Union Iced Coffee Fireworks.

Encouraging more young people to pursue careers and an interest in agriculture is a key objective of the Society, and this year a Youth in Agriculture Day was held at the Royal Adelaide Show. Presented in conjunction with the SA Country Shows Next Generation Group, the day promoted sustainable agriculture to young people from both country and metropolitan areas, and culminated in the State Young Farmer Challenge. The 2013 Rural Ambassador award went to 27-year-old Courtney Ramsey, from Eyre Peninsula, while another of the candidates, Paul Kinnaird from the Murraylands, did a fabulous job catching a runaway steer on the Tuesday of the Show.

On the marketing front, a comprehensive program of television and radio ads, outdoor advertising, social media and production of The Show Magazine, circulation 400,000, complemented by more than \$5 million in editorial coverage across all major media outlets, ensured the 2013 Show enjoyed a strong profile amongst the South Australian public. An emotive marketing campaign, 'The Royal Show and all its wonder' captured the magical atmosphere of the event and highlighted the range of experiences on offer, while the Show website experienced strong growth, with web sessions increasing by 47% and page views by 11%. Royal Show app downloads also grew by 37%, and a strong social media engagement strategy saw Facebook followers increase by nearly 9,500 to over 32,000 and Twitter followers nearly doubling to 1,729.

The opportunity to win a Toyota Camry, thanks to; CMI Toyota, Channel Seven Adelaide and radio station SAFM, was a popular attraction for show-goers, as was the Bertie Beetle Digital Trail, which saw patrons receive a free showbag by scanning the eight Bertie Beetle QR (smartphone) codes dotted around the Showground in recognition of Bertie's 50<sup>th</sup> birthday.



The trend for show-goers to purchase tickets before visiting the Show continued in 2013, with over 50% of paying patrons buying their tickets before attending the event. Our new Family Value Pack, which included coupons for showbags, rides and meals, proved to be a cost-effective way for families to visit the Show, with more than 1,000 packs being sold. Likewise, the introduction of a \$10 entry fee after 6pm on weekdays helped boost evening traffic, particular teenagers and young people. Many show-goers took advantage of the Showground's excellent public transport network to get to and from the Show and the new train platform at the north west corner of the Showground was well received by patrons.

Nearly 400 commercial exhibitors took space at the 2013 Show – the majority reporting pleasing results and 91% ranking the organisation of the Show as either outstanding or very good. Carnival ride, showbag and food and beverage operators all recorded increases in sales over 2012.

## ROYAL ADELAIDE WINE SHOW

The 2013 Royal Adelaide Wine Show attracted 2,608 entries from 328 wineries and schools. A total of 174 gold medals (6%), 260 silver medals (9%) and 849 bronze medals (29%) were awarded.

The Barossa's Saltram Estate Wines won the Wine Show's two most coveted trophies – The Max Schubert Trophy for Most Outstanding Red Wine in Show (2010 Saltram Mamre Shiraz) and the Gramp, Hardy, Hill-Smith Prize for Outstanding Wine of Provenance (Saltram No 1 Shiraz – 2009, 2004 and 1996 vintages). The Saltram Mamre Shiraz was also named Best Shiraz in Show, and Saltram winemaker Shavaughn Wells was recognised winning the prize for Winemaker of the Most Outstanding Red Wine in Show.

New in 2013 was The George Fairbrother Memorial Trophy for Most Outstanding White Wine in Show, which was won by the Yarra Valley's Coldstream Hills Reserve Chardonnay 2011. Coldstream Hills also took out the best chardonnay trophy, and their winemaker, Andrew Fleming, lauded as the winemaker behind the wine.

Other trophy winning wineries included Xanadu Wines (Margaret River), Rosemount Estate (McLaren Vale), Lake Breeze (Langhorne Creek), Bremerton (Langhorne Creek), Brown Brothers (Vic), De Bortoli (Vic), Baileys of Glenrowan (VIC) and Yellowglen (VIC), Echelon Wine Partners (Eden Valley), Tyrrells (Hunter Valley) and Chateau Tanunda (Barossa).

Another addition in 2013 was the Royal Adelaide Wine Show Australian Schools Wine Competition. Designed to recognise the efforts of schools that make wine and to enable school-made wine to be judged by professionals, the inaugural competition awarded three trophies. Renmark High School won the Best Red Wine in Show trophy for their 2009 Tawny Port, while the Best White Wine trophy went to Nuriootpa High School for their Nurihannam Wines Barossa Scholar Chardonnay 2011. The trophy for best wine label designed by a school student went to Madison Kalleske – a pupil at Faith Lutheran College in Tanunda – for her Mengler View Rainbow Riesling.



2013 Royal Adelaide Show Commercial Exhibitors in the Jubilee Pavilion



The George Fairbrother Memorial Trophy for Most Outstanding White Wine in Show, sponsored by F. Miller & Co, presented by Graeme Lowe, Managing Director, won by Coldstream Hills Emma Wood receiving the prize



Margy Wright, accepting the trophy for Best Red Wine, Agriculture & Science Teacher, Renmark High School



# chief executive's report



*Variety Club Christmas lunch for over 2,000 disabled children and their families in December, 2013*

## ADELAIDE EVENT & EXHIBITION CENTRE (AEEC)

More than 100 events were presented at the Adelaide Showground in 2013, including the Italian cultural festival, Carnevale; the Sunday Mail Home Living Expo; Summer and Winter Bridal Ideas Expos; the Caravan & Camping Show; pop culture expo Oz Comic-Con; the Mind, Body & Spirit Festival and new and expanded SA Boat, Fishing & Adventure Show. The Adelaide Showground also continued to be a popular venue for markets, with design market Bowerbird Bazaar, children's market Mathilda's and the regular Adelaide Showground Farmers' Market all calling the venue home. We were also delighted to welcome Sir Richard Branson, who was special guest at the National Achievers Congress, held for the first time in Adelaide in May.

The business events arm of the Adelaide Showground, the Adelaide Event & Exhibition Centre, also worked tirelessly to secure new events for the venue. These included the National Jewellery Forum, the Adelaide Film Festival City Drive-in, high-intensity obstacle

course event True Grit and electronic music festival, Stereosonic, all held in 2013, and the Tattoo & Body Art Expo, Future Music Festival and Lamb Ex, to be held in 2014.

The AEEC was also proud to host the Variety Club Christmas lunch for over 2,000 disabled children and their families in December – an event that the Showground has proudly supported for many years – and the Vinnies Annual CEO Sleepout, which raised over \$244,000 for the charity.

In 2013 we continued to improve the facility, introducing; automated parking and a new plaza to service the permanent railway platform. The new Adelaide Showground Station will be fully operational in February 2014 and will service the venue and surrounding area right through the year with extra services to match event demand. On the catering front the Showground continued to expand its product offering, including a healthy salad bar option introduced in the Goyder Pavilion.



*Adelaide Film Festival's City Drive-in screening of Grease*



## INDUSTRY ASSOCIATIONS

The Society continues to provide support and secretarial services, through its Rural Services division, to 23 industry associations in South Australia and interstate.

Among other services, these organisations provide guidance, support and advocacy in their area of expertise and industry. The Society provides a service for the following associations;

Agricultural Societies Council of SA,  
Angus Society of Australia (SA Branch),  
Australian Dohne Breeders Association,  
Australian Dorper and White Dorper, Association Inc,  
Australian White Suffolk Association,  
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,  
Charolais Society of Australia (SA Branch),  
Damara Sheep Breeders Society,  
National Council of Agricultural Societies Inc,  
Prime SAMM Sheep Breeders Association – Central Division,  
Simmental Australia – SA Branch,  
South Australian Beef Cattle Breeders Association,  
South Australian Poll Hereford Association,  
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.

## ACKNOWLEDGEMENTS

I would like to acknowledge the ongoing valuable support from Society councillors and members, volunteers, community organisations, committed sponsors and the media. Likewise, the many Government agencies which assist in keeping the Royal Show, and the many other events held at the venue each year, a safe and pleasant environment to be a part of.

## MAJOR SPONSORS

**Royal Show Presenting Partner – IGA**

**Royal Show Premier Partners –**  
Coca-Cola Amatil, Channel Seven  
Adelaide and BankSA

PRESENTING PARTNER



How the locals like it



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

Australian Broadcasting Corporation, Chifley on South Terrace, CNH Australia, Coopers Brewery Ltd, Dairy Australia, Dan Murphys, Gray Management Group, Isuzu Ute Australia, Laucke Flour Mills, Lion Dairy & Drinks, Mars Petcare Australia, Rabobank, Sita, Solstice Media, Vilis and Wallis Cinemas.

## SUPPORTERS

The Society acknowledges and thanks the following organisations for their ongoing commitment and coordination, covering all aspects of the Society's business;

City of Unley,  
Department of Education & Children's Services,  
Department of Transport,  
Energy & Infrastructure – Public Transport Division,  
Girl Guides Association (SA) Inc,  
Lions International,  
Office of Consumer & Business Services,  
Primary Industries & Resources SA (PIRSA),  
Rotary Club of Stirling,  
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**

Adelaide, 14 March 2014

# treasurer's report



Robert Snewin Treasurer, RA&HS of SA Inc.

The net profit for the year of \$1,213,640 includes the impact of unrealised gains on investments and annual depreciation on fixed assets. This is an extremely strong result in a year of challenges in the national economy

The operational result of \$2,961,252 after adjusting for investment results, amortisation of government grants (\*) and depreciation is detailed below. Depreciation for the year of \$3,448,633 includes \$1,082,941 relating to assets funded by government grants.

|  | <b><u>2013</u></b><br><b><u>\$'000</u></b> | <b><u>2012</u></b><br><b><u>\$'000</u></b> |
|--|--|--|
| Net Profit   | 1,214                                      | (319)                                      |
| Deduct investment results:   |  |  |
| Unrealised gain/(loss)   | 1,185                                      | 1,057                                      |
| Realised loss  | 7  | (58)                                       |
| Dividend Income  | 509  | 444  |
|  | (487)                                      | (1,762)                                    |
| Amortisation of Govt Grant over estimated life cycle of related assets (*) | 1,083                                      | 1,093                                      |
| Operational Result   | 596  | (669)                                      |
| Deduct depreciation on assets not funded by Govt Grant                     | 2,365                                      | 2,416                                      |
| Operational Result before depreciation                                     | 2,961                                      | 1,747                                      |

(\*) 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.

With reference to the above, the operational result before depreciation is reflected in the positive cashflow from operating activities set out in the financial statements following this report. After net cash outflows from investing activities and repayment of borrowings, the Society achieved a net cash increase for the year.

This cash outflow on investing activities comprises the net investment in capital infrastructure and listed securities. Capital expenditure included the construction of the automated parking system (\$1,155,000), upgrade of the Leader Street Showground entrance, creation of a new railway entrance in Rose Terrace (\$329,000) and purchase of exhibition carpeting (\$162,000).

## INVESTMENTS

The Society's investment portfolio recorded an unrealised gain of \$1,185,350 for the year, reflecting ongoing confidence in 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, invested a further \$346,411 in listed shares, consistent with the Society's policy to reinvest dividend and sales proceeds over time to continue to build and strengthen the investment portfolio. Gross dividends of \$508,742 were received during the year.

The Board approved donations of \$13,604 to the Archives and Education Foundations, representing 5% of dividend franking credits received in 2013.

## INSURANCE

Premiums for 2013 were \$318,787 or 5.5% above 2012, primarily due to implementation of a cyber security cover and an increase in insured values of property and equipment. Premiums for 2014 have now been finalised and have decreased by \$10,196 or 3.2% as a result of reduced rates offered on certain policies.

## MANAGEMENT

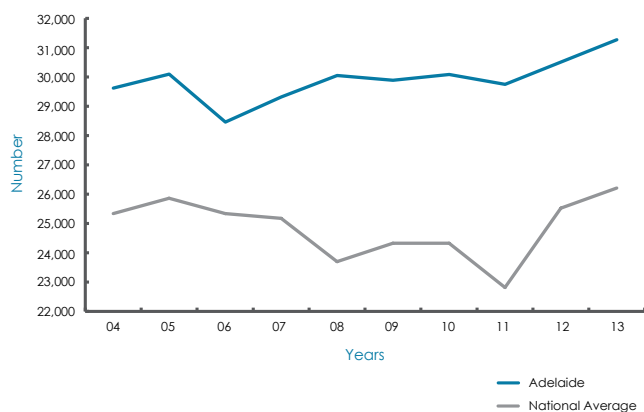
The Society is committed to sound financial management which allows it to fulfil its Charter and maximise its contribution to the success and promotion of Primary Industries in South Australia through the staging of events and rewarding excellence.

Robert Snewin, Treasurer  
Adelaide, 14 March 2014

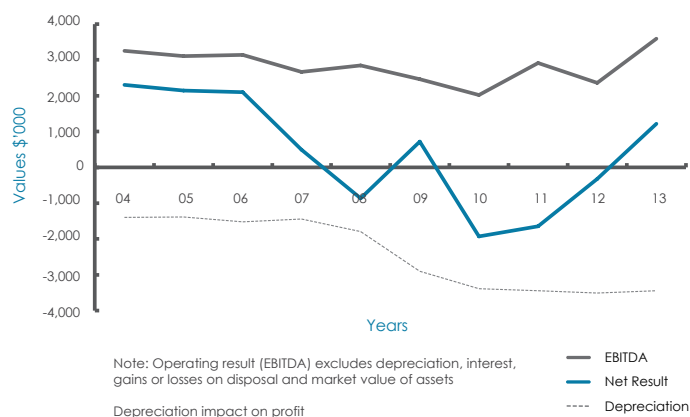


# key statistics & achievements

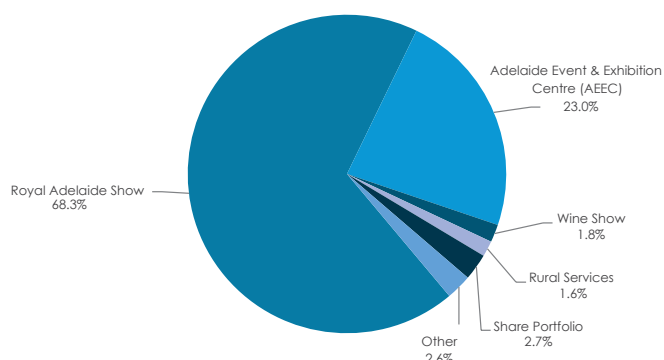
Competitive Entries 2004 to 2013



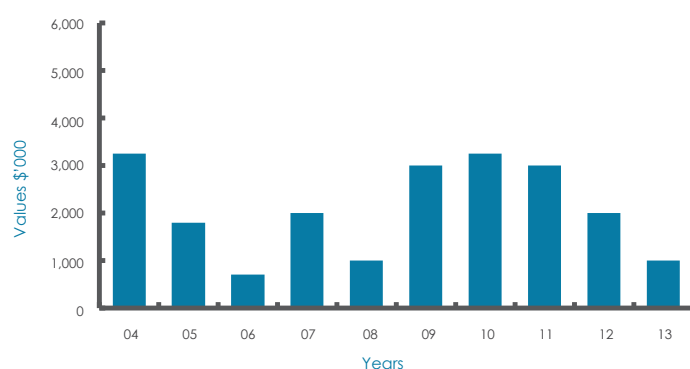
Financial Results 2004 to 2013



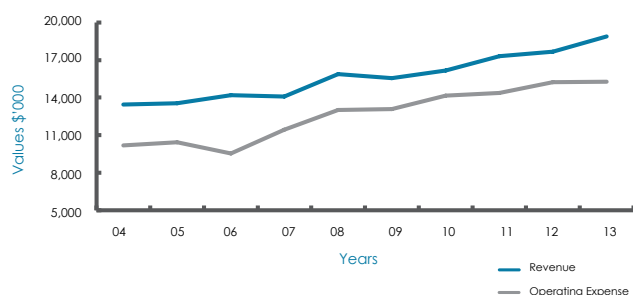
Revenue by Sector 2013



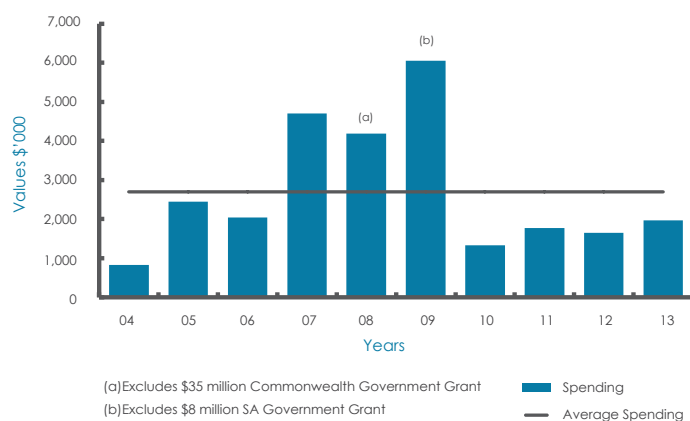
Borrowings 2004 to 2013



Revenue & Operating Expenses 2004 to 2013  
(excludes depreciation and interest)



Capital Spending 2004 to 2013



# financial statements

## Statement of Profit or Loss and other Comprehensive Income For the year ended 31 December 2013

|  | <u>Notes</u> | <u>Year ended</u><br><u>31/12/2013</u><br>\$ | <u>Year ended</u><br><u>31/12/2012</u><br>\$ |
|--|--------------|--|--|
| Revenue from continuing operations                         | 3            | 18,902,182                                   | 17,678,596                                   |
| Other gains and losses                                     | 4            | 1,197,434                                    | 1,007,606                                    |
| Administration expenses                                    |              | (1,292,348)                                  | (1,434,465)                                  |
| Advertising and promotion expenses                         |              | (596,741)                                    | (578,743)                                    |
| Depreciation expenses                                      |              | (3,448,635)                                  | (3,509,480)                                  |
| Employee benefits expense                                  |              | (4,077,823)                                  | (3,958,845)                                  |
| Event expenses   |              | (6,341,229)                                  | (6,373,057)                                  |
| Finance costs  |              | (151,133)                                    | (208,599)                                    |
| Maintenance and service of grounds                         |              | (2,028,115)                                  | (2,068,356)                                  |
| Other expenses   |              | (949,952)                                    | (873,845)                                    |
| Profit / (Deficit) for the year from continuing operations |              | 1,213,640                                    | (319,188)                                    |
| <b>Profit / (Deficit) For The Year</b>                     |              | 1,213,640                                    | (319,188)                                    |
| <b>Total Comprehensive Profit / (Deficit) For The Year</b> |              | 1,213,640                                    | (319,188)                                    |

*Notes to the financial statements are included on pages 17 to 21*



**Statement of Financial Position**  
**As at 31 December 2013**

|                                      | <b>Notes</b> | <b>As at<br/>31/12/2013<br/>\$</b> | <b>As at<br/>31/12/2012<br/>\$</b> |
|--------------------------------------|--------------|------------------------------------|------------------------------------|
| <i>Current assets</i>                |              |                                    |                                    |
| Cash and bank balances               | 15           | 336,819                            | 289,127                            |
| Trade and other receivables          | 5            | 709,208                            | 669,997                            |
| Other assets                         | 6            | 65,883                             | 58,302                             |
| <b>Total Current Assets</b>          |              | <b>1,111,910</b>                   | <b>1,017,426</b>                   |
| <i>Non-current assets</i>            |              |                                    |                                    |
| Other financial assets               | 7            | 8,320,696                          | 6,794,824                          |
| Property, plant and equipment        | 8            | 87,791,314                         | 89,268,197                         |
| <b>Total Non-Current Assets</b>      |              | <b>96,112,010</b>                  | <b>96,063,021</b>                  |
| <b>Total Assets</b>                  |              | <b>97,223,920</b>                  | <b>97,080,447</b>                  |
| <i>Current liabilities</i>           |              |                                    |                                    |
| Trade and other payables             | 9            | 1,215,934                          | 1,332,846                          |
| Provisions                           | 11           | 239,322                            | 251,625                            |
| <b>Total Current Liabilities</b>     |              | <b>1,455,256</b>                   | <b>1,584,471</b>                   |
| <i>Non-current liabilities</i>       |              |                                    |                                    |
| Borrowings                           | 10           | 1,000,000                          | 2,000,000                          |
| Other liabilities                    | 12           | 82,236                             | 94,231                             |
| Provisions                           | 11           | 546,014                            | 474,971                            |
| <b>Total Non-Current Liabilities</b> |              | <b>1,628,250</b>                   | <b>2,569,202</b>                   |
| <b>Total Liabilities</b>             |              | <b>3,083,506</b>                   | <b>4,153,673</b>                   |
| <b>Net Assets</b>                    |              | <b>94,140,414</b>                  | <b>92,926,774</b>                  |
| <b>Equity</b>                        |              |                                    |                                    |
| Retained surplus                     | 17           | 94,140,414                         | 92,926,774                         |
| <b>Total Equity</b>                  |              | <b>94,140,414</b>                  | <b>92,926,774</b>                  |

Notes to the financial statements are included on pages 17 to 21

# financial statements

## Statement of Cash Flows For the year ended 31 December 2013

|   | <u>Notes</u> | <u>Year ended</u><br><u>31/12/2013</u><br>\$ | <u>Year ended</u><br><u>31/12/2012</u><br>\$ |
|---|--------------|--|--|
| <b>Cash flows from operating activities</b>                   |              |  |  |
| Receipts from customers                                       |              | 19,808,095                                   | 18,595,384                                   |
| Payments to suppliers and employees                           |              | (16,838,290)                                 | (16,481,722)                                 |
| Cash generated from operations                                |              | 2,969,805                                    | 2,113,662                                    |
| Interest paid   |              | (151,133)                                    | (208,599)                                    |
| <b>Net cash generated by operating activities</b>             |              | 2,818,672                                    | 1,905,063                                    |
| <b>Cash flows from investing activities</b>                   |              |  |  |
| Payments to acquire financial assets                          |              | (346,411)                                    | (382,691)                                    |
| Proceeds on disposal of financial assets                      |              | 12,818                                       | 134,630                                      |
| Interest received   |              | 20,466                                       | 35,847                                       |
| Dividends received  |              | 508,742                                      | 444,082                                      |
| Payments for property, plant and equipment                    |              | (1,974,777)                                  | (1,655,544)                                  |
| Proceeds from disposal of property, plant and equipment       |              | 8,182  | 52,772                                       |
| <b>Net cash used in investing activities</b>                  |              | (1,770,980)                                  | (1,370,904)                                  |
| <b>Cash flows from financing activities</b>                   |              |  |  |
| Proceeds from borrowings                                      |              | 2,800,000                                    | 3,600,000                                    |
| Repayment of borrowings                                       |              | (3,800,000)                                  | (4,600,000)                                  |
| <b>Net cash used in financing activities</b>                  |              | (1,000,000)                                  | (1,000,000)                                  |
| <b>Net increase / (decrease) in cash and cash equivalents</b> |              | 47,692                                       | (465,841)                                    |
| <b>Cash and cash equivalents at beginning of the year</b>     |              | 289,127                                      | 754,968                                      |
| <b>Cash and cash equivalents at end of the year</b>           | 15           | 336,819                                      | 289,127                                      |

Notes to the financial statements are included on pages 17 to 21

**Notes to the financial statements**  
**For the year ended 31 December 2013**

**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 of Management 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 of Management's reporting requirements under the Associations Incorporation Act 1985.

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

**1.2 Statement of Compliance**

The financial report has been prepared in accordance with the Associations Incorporation Act 1985, and the recognition and measurement requirements, but not the disclosure requirements, specified by all Australian Accounting Standards and Interpretations.

**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 all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Various other Standards and Interpretations were in issue but not yet effective at the date of authorisation of the financial report. The issue of these Standards and Interpretations will not affect the Society's present policies and operations. The Board of Management anticipate that the adoptions of these Standards and Interpretations in future periods will not materially affect the amounts recognised in the Financial Statements of the Society.

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 surplus or loss*

The Society has classified certain shares as financial assets at fair value through surplus or loss. 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 surplus or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in surplus or loss. The net gain or loss recognised in surplus or loss is included in the 'other gains and losses' line item in the statement of comprehensive income. 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.



# financial statements

## 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..... | 20 to 50 years |
| Plant and equipment.....    | 3 to 20 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. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

### 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.

## 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.

|   | 31/12/2013 | 31/12/2012 |
|---|------------|------------|
|   | \$         | \$         |
| Exhibition space rental & selling rights    | 3,088,588  | 2,810,868  |
| Royal Show space rental, selling rights etc | 4,022,520  | 3,869,088  |
| Royal Show ticket sales                     | 5,128,180  | 4,907,418  |
| Competitive entry fees & related charges    | 1,312,716  | 1,295,557  |
| Catering & car parking                      | 2,299,638  | 2,146,603  |
| Rental income-property                      | 239,540    | 164,866    |
| Sponsorship & prizes                        | 1,620,387  | 1,464,790  |
| Interest received                           | 20,466     | 35,847     |
| Dividends received                          | 508,742    | 444,082    |
| Other                                       | 661,405    | 539,477    |
|   | 18,902,182 | 17,678,596 |

## 4. Other gains and losses

|   |           |           |
|---|-----------|-----------|
| Gain on disposal of property, plant and equipment | 5,155     | 7,936     |
| Net gain arising on investment in shares          | 1,192,279 | 999,670   |
|   | 1,197,434 | 1,007,606 |

## 5. Trade and other receivables

|  |          |          |
|--|----------|----------|
| Trade receivables                        | 522,098  | 509,688  |
| Allowance for doubtful debts             | (20,000) | (16,203) |
|  | 502,098  | 493,485  |
| Goods and services tax (GST) recoverable | 97,886   | 89,554   |
| Dividend Imputation Credits receivable   | 97,751   | 86,958   |
| Other                                    | 11,473   | -        |
|  | 709,208  | 669,997  |

#### *Trade receivables*

Allowances for doubtful debts are recognised against trade receivables over 90 days 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.

# financial statements

## 6. Other current assets

|             | 31/12/2013<br>\$ | 31/12/2012<br>\$ |
|-------------|------------------|------------------|
| Prepayments | 25,023           | 52,416           |
| Other       | 40,860           | 5,886            |
|             | 65,883           | 58,302           |

## 7. Other non-current financial assets

|  |           |           |
|--|-----------|-----------|
| Quoted investments carried at fair value | 8,320,696 | 6,794,824 |
|--|-----------|-----------|

## 8. Property, plant and equipment

At carrying amount:

|                             |            |            |
|-----------------------------|------------|------------|
| Freehold land and buildings | 19,956,652 | 19,283,878 |
| Leasehold improvements      | 54,126,351 | 55,975,528 |
| Plant and equipment         | 13,708,311 | 14,008,791 |
|                             | 87,791,314 | 89,268,197 |

|                             | Freehold land & buildings | Leasehold improvements | Plant & equipment | Total       |
|-----------------------------|---------------------------|------------------------|-------------------|-------------|
| <i>Cost</i>                 |                           |                        |                   |             |
| Balance at 31 December 2012 | 19,359,528                | 80,216,367             | 21,979,156        | 121,555,051 |
| Additions                   | 683,751                   | 198,417                | 1,092,611         | 1,974,779   |
| Disposals                   | -                         | -                      | (30,273)          | (30,273)    |
| Balance at 31 December 2013 | 20,043,279                | 80,414,784             | 23,041,494        | 123,499,557 |

|                                   | Freehold land & buildings | Leasehold improvements | Plant & equipment | Total        |
|-----------------------------------|---------------------------|------------------------|-------------------|--------------|
| <i>Accumulated depreciation</i>   |                           |                        |                   |              |
| Balance at 31 December 2012       | (75,650)                  | (24,240,839)           | (7,970,365)       | (32,286,854) |
| Depreciation expense              | (10,977)                  | (2,047,594)            | (1,390,064)       | (3,448,635)  |
| Elimination on disposal of assets | -                         | -                      | 27,246            | 27,246       |
| Balance at 31 December 2013       | (86,627)                  | (26,288,433)           | (9,333,183)       | (35,708,243) |

Freehold land and buildings have been pledged to secure borrowings of the Society (see note 10). 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.

## 9. Trade and other payables

|                                      | 31/12/2013<br>\$ | 31/12/2012<br>\$ |
|--------------------------------------|------------------|------------------|
| Trade payables                       | 331,596          | 424,488          |
| Goods and Services Tax (GST) payable | 56,751           | 74,021           |
| Other                                | 827,587          | 834,337          |
|                                      | 1,215,934        | 1,332,846        |

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

## 10. Non-current borrowings

|                                  |           |           |
|----------------------------------|-----------|-----------|
| <i>Secured at amortised cost</i> |           |           |
| Commercial bills                 | 1,000,000 | 2,000,000 |

Secured by a mortgage over the Society's freehold land and buildings (see note 8). The weighted average effective interest rate on the commercial bills is 5.73% per annum (31 December 2012: 6.50% per annum).

## 11. Provisions

|                   |         |         |
|-------------------|---------|---------|
| Employee benefits | 785,336 | 726,596 |
|                   |         |         |
| Current           | 239,322 | 251,625 |
| Non-current       | 546,014 | 474,971 |
|                   | 785,336 | 726,596 |

## 12. Other non-current liabilities

|                  |        |        |
|------------------|--------|--------|
| Life memberships | 82,236 | 94,231 |
|------------------|--------|--------|

## 13. Financing facilities

|                                  |           |           |
|----------------------------------|-----------|-----------|
| Secured commercial bill facility |           |           |
| - Used                           | 1,000,000 | 2,000,000 |
| - Unused                         | 4,000,000 | 4,000,000 |
|                                  | 5,000,000 | 6,000,000 |



#### 14. Related party transactions

Transactions between the Society and Board of Management 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 of Management 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 of Management.

#### 15. Cash and cash equivalents

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

|                                  | 31/12/2013<br>\$ | 31/12/2012<br>\$ |
|----------------------------------|------------------|------------------|
| Balance at end of financial year | 336,819          | 289,127          |

#### 16. 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.

#### 17. Retained surplus

|  |            |            |
|--|------------|------------|
| Balance at beginning of financial year | 92,926,774 | 93,245,962 |
| Net profit / (deficit)                 | 1,213,640  | (319,188)  |
| Balance at end of financial year       | 94,140,414 | 92,926,774 |

#### 18. Remuneration of auditors

|                               |        |        |
|-------------------------------|--------|--------|
| Audit of the financial report | 25,998 | 25,353 |
| Other advisory services       | 15,225 | 39,130 |
|                               | 41,223 | 64,483 |

#### 19. Capital expenditure commitments

|                               |         |         |
|-------------------------------|---------|---------|
| <i>Not later than 1 year</i>  |         |         |
| Land and buildings            | 900,000 | -       |
| Property, plant and equipment | -       | 765,000 |

#### 20. 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.

#### 21. 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 2013, the Archives Foundation generated total revenue of \$128,702 including \$105,072 in financial support by the Society and, after deducting operating expenses, reported a net surplus of \$6,856 which will be applied to future projects of the Archives.

Royal Agricultural & Horticultural Education Foundation of South Australia Incorporated which has been self assessed as Income Tax Exempt. During the year ended 31 December 2013, the Education Foundation generated total revenue of \$38,678 by way of financial support from the Society and, after providing educational scholarships of \$25,314, reported a net surplus of \$13,364.

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 2013 the Scholarship Fund generated total revenue of \$4,934 including \$4,036 in tax deductible donations. After providing educational scholarships of \$18,000, the fund reported a net deficit of \$13,066 which was supported by accumulated funds held. 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 of management report

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

In accordance with section 35(5) of the Associations Incorporation Act 1985, the Board of Management of the Royal Agricultural & Horticultural Society of South Australia Inc hereby states that during the financial year ending 31 December 2013:

- (a) (i) no officer of the Society;
- (ii) no firm of which an officer is a member; and
- (iii) no body corporate in which an officer has a substantial financial interest,

has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Society except for the following;

Transactions between the Society and Board of Management related entities are trivial in nature and occur within a 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.

- (b) no officer of the Society has received directly or indirectly from the Society any payment or other benefit of a pecuniary value except for the following:

Members of the Council 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 as determined by relevant industrial awards or workplace agreements commensurate with the duties and responsibilities required of the individual positions and approved by the Board of Management.

This information is disclosed in the Financial Statements at Note 14 Related Party Disclosure. This report is made in accordance with a resolution of the Board of Management.



Richard Fewster, *President*  
Adelaide, 14 March 2014



Robert Snewin, *Treasurer*  
Adelaide, 14 March 2014

# statement by board of management

## IN THE OPINION OF THE BOARD OF MANAGEMENT

- (a) The accompanying Financial Statements present fairly the results of the operations of the Society for the financial year and the state of affairs of the Society as at the end of the financial year; and
- (b) The Board of Management has reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Board of Management.



Richard Fewster, *President*  
Adelaide, 14 March 2014



Robert Snewin, *Treasurer*  
Adelaide, 14 March 2014

# independent audit report

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

We have audited the accompanying financial report, being a special purpose financial report, of Royal Agricultural & Horticultural Society of South Australia Inc ("the Society"), which comprises the Statement of Financial Position as at 31 December 2013, Statement of Comprehensive Income and the Statement of Cash Flows for the year then ended, Notes to the Financial Statements comprising a summary of significant accounting policies and other explanatory information, Board of management report and the statement by Board of Management as set out on pages 14 to 22.

## THE BOARD OF MANAGEMENT 'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The Board of Management is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the financial reporting requirements of the Associations Incorporation Act 1985 and is appropriate to meet the needs of the members. The Board of Management's responsibility also includes such internal control as the Board of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial report.

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

## AUDITOR'S OPINION

In our opinion, the financial report presents fairly, in all material respects, the financial position of Royal Agricultural & Horticultural Society of South Australia Inc as at 31 December 2013 and its financial performance for the year then ended in accordance with the financial reporting requirements of the Associations Incorporation Act 1985 as described in Note 1.

We have obtained all of the information and explanations that we required from the Society.

## BASIS OF ACCOUNTING

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Royal Agricultural & Horticultural Society of South Australia Inc to meet the financial reporting requirements of the Associations Incorporation Act 1985. As a result, the financial report may not be suitable for another purpose.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



S T Harvey, *Partner*

Chartered Accountants

Adelaide, 14 March 2014

*Liability limited by a scheme approved under Professional Standards Legislation*



# our charter

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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, Rear Admiral Kevin Scarce, AC, CSC, RANR - GOVERNOR OF SOUTH AUSTRALIA

## BOARD OF MANAGEMENT

|   |                             |                             |                |
|---|-----------------------------|-----------------------------|----------------|
| Richard W Fewster - PRESIDENT + TRUSTEE     | Robert L Snewin - TREASURER | Bruce F McFarlane - TRUSTEE | Robert J Hunt  |
| Robert R Hart - COUNCIL CHAIRMAN            | Charlie M Downer - TRUSTEE  | Hamish C Findlay            | Trevor G James |
| R Keith McFarlane - COUNCIL DEPUTY CHAIRMAN | Jock G Duncan, AM - TRUSTEE | Andrew M Hardy              |                |

## CHIEF EXECUTIVE

John W Rothwell

## EXECUTIVE COMMITTEE - INC. BOARD OF MANAGEMENT

|                  |                  |                 |                |
|------------------|------------------|-----------------|----------------|
| Robert D Battams | Adrian G Burgess | Jock VE Gosse   | Robyn J Muster |
| Andrew H Bone    | Belinda A Cay    | Raelee J Hedger | David N Read   |
| Ann L Bone       | David W Fechner  | Rob W Linn      | John Schutz    |

## COUNCIL

|                     |                    |                      |                         |                     |
|---------------------|--------------------|----------------------|-------------------------|---------------------|
| Thomas E Ashby      | David W Fechner    | Tim Hill *           | Elizabeth M McGee       | Susan J Ryan        |
| Robert D Battams    | Nicola Feeney      | David J Hubbard      | Ian A McGowan           | Ian B Sanders       |
| Keith A Bennett     | Raymond L Fiebiger | Robert J Hunt        | Andrew J Michael        | Gary Schulz         |
| Michael C Blenkiron | Hamish C Findlay   | Graeme P Hyde        | Andrew M Michael        | John Schutz         |
| Andrew H Bone       | Greg Follett       | Trevor G James       | Joy Middleton           | Mary Scruby         |
| Ann L Bone          | Ken H Follett      | Leith C Jenkins, OAM | James R Morgan          | Pamela K Seppelt    |
| Howard J Bone       | Darryl W Freer     | Peter Karytinios     | Robyn J Muster          | William A Seppelt   |
| Royce A Bowyer      | Geoffrey Fuller *  | Sean J Kay *         | Dennis R Mutton         | Emma K Shaw         |
| Graham R Brand      | Michael C Gale     | Janet Kuys           | Samantha Neumann        | Michael P Siebert   |
| Adrian G Burgess    | Peter W Godden *   | Philip L Laffer, AM  | Grant Octoman           | Nicholas P Simpson  |
| Robert J Butler     | Jock VE Gosse      | Rex L Liebelt        | Brian Parker *          | Penelope A Smith *  |
| Tim SG Buxton       | Gina Graham *      | Cheryl L Liebich     | Allan M Piggott         | Paul GC Smith       |
| Trevor Camac *      | Susie E Green      | Trevor W Linke       | Dr John C Radcliffe, AM | Robert L Snewin     |
| Belinda A Cay       | Jonathan S Hall    | Rob W Linn           | Trevor M Ranford        | Darryl K Squiers    |
| David H Copping     | Neville M Hallion  | Andrew J Lock        | David N Read            | Glen L Trengove     |
| Lachlan J Day       | Robert W Hamdorf   | Robert J Lott        | Josh D Read             | A Nicholas Wadlow   |
| Ian B Digby         | Andrew M Hardy     | Brian W Mahomet      | Graham T Reu            | Alister AT Walsh    |
| Timothy J Donaldson | Robert R Hart      | Francis J McEvoy     | J William Richards      | Cheryl K Wandel     |
| Brett Draper        | Richard F Haynes   | Bruce F McFarlane    | Lea C Richens           | Glenys R White      |
| Andrew Duncan       | Raelee J Hedger    | Richard J McFarlane  | William J Rowett        | Mark A Williamson * |
| Michael K Farmilo   | Andrew R Hentschke | R Keith McFarlane    | Nick L Ryan             | <i>* Ex-Officio</i> |

## HONORARY LIFE MEMBERS

|                     |                                       |                            |                     |
|---------------------|---------------------------------------|----------------------------|---------------------|
| Gary T Campbell, AM | Colin R Gramp, AM                     | The Hon Nicholas H Minchin | Richard T Walsh, AM |
| Walter H Duncan     | Marjorie Jackson-Nelson, AC, CVO, MBE | Sir Eric J Neal, AC, CVO   | Phillip E Withers   |

## HONORARY COUNCILLORS

|                      |                    |                      |                    |                     |
|----------------------|--------------------|----------------------|--------------------|---------------------|
| Brian TM Ashby       | Owen F Croser      | Alan L Freeman       | John H Lloyd       | Colin J Tindall     |
| John S Ayers         | Alan V Davidson    | J Michael B Gaden    | Bruce W Lockier    | Richard T Walsh, AM |
| Frank T Beauchamp    | Graham PC Day      | Bryant L Giles       | Alistair S Murray  | Malcolm J Wandel    |
| Barrie J Beaumont    | John G Donaldson   | Peter S Gill         | Dean M Pettman     | Murray G Weston     |
| A Peter Berry        | Walter H Duncan    | Colin R Gramp, AM    | Mark F Robertson   | Alan C Wilson       |
| Thomas W Bowden, OAM | David L East       | Robert F Haynes      | Michael JD Scott   | Phillip E Withers   |
| David M Cain, PSM    | Colin L Ekers      | Neil S Henderson     | Karl J Seppelt, AO | Ronald J Wright     |
| Robin P Coleman      | Peter E Ferris     | Robert A Jenssen     | Robert C Shepherd  | Ian L Young         |
| Robert M Crawford    | Richard G Fishlock | Colin E Lienert, OAM | Maxwell K Smart    | James W Young       |

# our business partners & associates



The Adelaide Showground is a highly valued Member of Brand South Australia and our organisation has enjoyed working closely with them in 2013 to deliver a number of spectacular events.

In August, Brand South Australia collaborated with the Adelaide Showground once again, to launch the Royal Adelaide Wine Show at the National Wine Centre. Guests heard from industry experts: Andrew Hardy, Chair of the Royal Adelaide Wine Show, Andrew Higgins, Senior Winemaker at McWilliams Wines and Nick Carne, Manager of Communications, Winemakers' Federation Australia as they discussed the history of the Royal Adelaide Wine Show and the current state of the Australian wine industry.

The Adelaide Showground was also a Sponsor for the 2013 South Australian Regional Awards Community Group Category. The Regional Awards provide an opportunity to celebrate and promote the achievements of individuals, groups, and organisations that have made significant contributions to South Australia across seven regional areas in the State.

The fantastic support from the team at Adelaide Showground is sincerely appreciated and Brand South Australia looks forward to working with them again next year.

**Karen Raffan**, *Chief Executive*, Brand South Australia



Food SA values its partnership with the Royal Agricultural & Horticultural Society of South Australia. We collaborate on a number of activities that showcase premium food from our clean environment, and acknowledge the talents of the people who are the heart of the South Australian food industry.

The Taste of SA and Cellar Door Experience at the Royal Adelaide Show, are events that Food SA is delighted to be involved in. These activities provide consumers with greater knowledge of South Australia's exceptional food, and offer the opportunity to meet the producers.

The South Australian Food Industry Awards, hosted by Food SA, is a major industry program that exists thanks to the generosity and support of our sponsors such as the Royal Agricultural & Horticultural Society of South Australia, sponsor of the Best Practice and Business Development Awards which recognise food businesses that set a benchmark for the food industry.

Food SA looks forward to continuing our relationship with the Royal Agricultural & Horticultural Society of South Australia team and working with them again next year.

**Catherine Barnett**, *Chief Executive Officer*, Food SA



The Adelaide Farmers' Market, located at the Showground, is a weekly institution that draws up to 5,000 people to the Adelaide Showground every Sunday. Our aim is to support South Australian primary industry which strengthens our connection with the Royal Agricultural & Horticultural Society as we focus on true food, direct from the producer.

This year we celebrate eight years as an organisation and we are continuing to grow and develop towards our sustainable goals. The Adelaide Showground Farmers' Market Inc. opened a new branch farmers' market in Prospect to provide more opportunities for South Australian food producers and the Showground Market has recently implemented a Zero Waste system.

Each stallholder tells a unique story, which helps to educate city shoppers about primary food production and life on the land. This element makes farmers' markets unique, providing a link between rural and city communities.

The Adelaide Showground Farmers' Market Inc. looks forward to another year of growth as more people question the provenance of their food. We look to further refine our markets as a viable food alternative for our community and continue to provide opportunities for more South Australian producers.

**Amanda Daniel**, *CEO*, Adelaide Showground Farmers' Market



O'Brien Catering Group (formerly Michael O'Brien Catering) has been the on-site caterer at the Adelaide Showground since 2006 providing all aspects of catering at the venue including exhibitions, functions, intimate and large scale events such as the Royal Adelaide Show. The Adelaide Showground is a diverse precinct requiring varied catering solutions.

OBCG is proud to be a working partner at the Adelaide Showground.

**Michael O'Brien**, *Executive Director*, OBCG





In 2013 it was pleasing to finalize a new lease for the Wayville Sports Centre at the Adelaide Showground, which has been an important venue for South Australian basketball for the past 13 years. The new lease enables the basketball community to continue to be able to access this great facility into the future with the hopes that in the future the stadium will be expanded to cater for current and future demand. Basketball has seen continual growth in participation for a number of years and is one of the largest participation sports in SA; and is one of the largest team participation sports in Australia.

Over 60,000 visitors came through Wayville in 2013 as players, spectators, coaches, administrators and hirers. The main activity in the stadium included the weekly social competition with 140 teams; school miniball with 75 teams; district basketball with the home club Forestville Eagles who continue to be the largest District Club in the state with 645 members; SA Church Basketball Association playing Saturday junior and senior competitions; and various tournaments and competitions throughout the year.

Some of the major events for Basketball SA included:

- The National U16 Junior Championships
- Basketball SA Junior State Championships
- SA Country Senior Country Championships
- SA Country Junior Country Championships
- SAPES Games (Involves SA Police and Emergency services teams)
- Talent Identification Camps
- Secondary Schools Basketball Finals
- SAPSASA Basketball
- The Australasian Police Basketball Championships
- SAASTA (South Australian Aboriginal Sports Training Academy) Trainings Squads

We thank the RA&HS staff for their continued support and good will and look forward to a great 2014!

Mark Hubbard *Chief Executive Officer, Basketball SA*



Co-Opera is Australia's longest serving and busiest touring opera company. For over 20 years they have been providing opportunity and employment for emerging and established SA artists, while making opera accessible to regional and remote Australia. The company has also performed to warm receptions in Europe and has strong connections after many successful tours, in SE Asia.

The proudly South Australian company has its home at the Thomas Edmonds Opera Studio (TheOS) at Adelaide Showground, where it rehearses and holds its Adelaide performances. There is a continuity for Co-Opera having its home at Adelaide Showground as the diversity of community and the agricultural roots mirror Co-Opera's connections with regional and remote communities across the country.

Brian Chatterton OAM, *Artistic Director, Co-Opera*



It might surprise most South Australians to find out that the world's highest-price per lot multi-vendor merino and poll merino sale happens right here at the Adelaide Showground during the Royal Adelaide Show. Sheep producers come from not only all parts of South Australia, but indeed interstate and overseas to attend the annual auction; which also happens to be a great spectacle for onlookers.

The South Australian Stud Merino Sheepbreeders' Association has enjoyed a long and fruitful relationship with the Royal Adelaide Show, which through competition has lent tremendously to the ongoing improvement of the breed. The high standard of entrants put forward for judging is complemented by a well organised and reliable event.

For the Association, it is very handy to have such easy access to not only the Showground facilities, but also the staff throughout the year. It's been a great arrangement for many years, and will be for many years to come no doubt!

Cameron Hills, *Executive Officer, Merino SA*



Horse SA is a not-for-profit organisation which has a number of key focus areas including recreational trails, community facilities, horse health & welfare biosecurity and recreational trails.

The Kidman Trail, a 255 Km trail from Willunga to Kapunda via the Barossa Valley is managed from the Showground, along with conducting workshops and conferences of interest to the wider horse owning community, in such areas as sustainable land management and large animal rescue. Horse SA has over 250 members from racing to breed groups and riding clubs.

Julie Fiedler, *Executive Officer, Horse SA*



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# THE SOCIETY

## ANNUAL REPORT 2013

Royal Agricultural & Horticultural Society of South Australia Incorporated

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