

The Royal Bath & West of England Society
Registered in England and Wales - Company number: 02931640

Registered Office:
The Showground
Shepton Mallet
BATH
BA4 6QN

Francis Clark LLP trading as PKF Francis Clark
Chartered Accountants
Ground Floor
Blackbrook Gate 1
Blackbrook Business Park
Taunton
TA1 2PX

Dear Sirs

Financial Statements of The Royal Bath & West of England Society for the year ended 31 December 2022

This representation letter is provided in connection with your audit of the financial statements of The Royal Bath & West of England Society ("the charitable company"), and of the group of which the charitable company is the parent company ("the group"), for the year ended 31 December 2022 for the purpose of expressing an opinion as to whether these financial statements give a true and fair view of the results and financial position of The Royal Bath & West of England Society and the group in accordance with The Companies Act 2006, UK Generally Accepted Accounting Practice and the Statement of Recommended Practice 'Accounting and Reporting by Charities' [Charities SORP (FRS 102)].

The representations made in this letter are in accordance with the definitions set out in the Appendix to this letter.

We confirm that:

Financial statements

1. We have fulfilled our responsibilities as trustees, as set out in the terms of the audit engagement letter dated 14 February 2019, for preparing financial statements in accordance with The Companies Act 2006, United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Accounting and Reporting by Charities' [Charities SORP (FRS 102)], which give a true and fair view of the state of the charitable company's and the group's affairs as at the end of its financial year and of the charitable company's and the group's income and expenditure for the year then ended and for making accurate representations to you.
2. Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
4. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements to you and these have been disclosed in accordance with UK Generally Accepted Accounting Practice.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with UK Generally Accepted Accounting Practice.
6. All events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or disclosed in the financial statements.

7. We confirm that the financial statements are free of material misstatements, including omissions. We believe that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter, together with our reasons for not correcting them.
8. We confirm, having considered our expectations and intentions for the next twelve months, and the availability of working capital, and having given due consideration to the known and potential impacts of the coronavirus pandemic on the operations and financial performance and position of both the Group and the charitable company, as well as the availability of unrestricted funds, that the charitable company and the group are going concerns.
9. We confirm that, in the opinion of the trustees, the carrying value of investment property held by the group, being £3m, is considered to be appropriate as at 31 December 2022, and that the assets are not impaired at this time.
10. We confirm that the charitable company is committed to paying £100k to the developer as regards the provision of utilities to the development of land. There is no liability to the charitable company at 31 December 2021. Disclosures in the accounts regarding this financial commitment are accurate and complete.

Information provided

11. We have made available to you all accounting and other records, including minutes of all trustees' and management meetings, and other information relevant for the purposes of your audit. We have provided all additional information that you have requested for the purposes of your audit and given unrestricted access to persons within the charitable company and the group from whom you determined it necessary to obtain audit evidence or request information.
12. All transactions have been properly recorded in the accounting records and are reflected in the financial statements.
13. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.
14. We have disclosed to you all information in relation to fraud or suspected fraud of which we are aware and that affects the charitable company and the group and involves management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the financial statements.
15. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the charitable company's and the group's financial statements communicated by employees, former employees, analysts, regulators or others.
16. We confirm that we are not aware of any possible or actual instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements, except as explained to you. We confirm that the company and the group have complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
17. We confirm that the charitable company and the group have satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.
18. We confirm that there are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements. We confirm that the charitable company and the group

have not contracted for any capital, or other, expenditure, other than as disclosed in the financial statements.

19. We confirm that the charitable company and the group have at no time during the year entered into any arrangement, transaction or agreement to provide credit facilities (including loans, quasi loans, or credit transactions) for trustees, nor to guarantee or provide security for such matters, except as disclosed in the financial statements.
20. We confirm that we are aware that a related party of the charitable company and group is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the charitable company or vice versa and as a result will include trustees, other key management, close family and other business interests of the previous. We confirm that we have disclosed to you the identity of all related parties and all the related party relationships and transactions of which we are aware.
21. We confirm that all income and expenses have been fully recorded and correctly classified in the correct fund.
22. We confirm that all grants, donations and other income, including those subject to special terms and conditions or received for restricted purposes, have been notified to you. There have been no breaches of terms or conditions during the period regarding the application of such income.
23. We confirm that we are not aware of any matters of material significance that should be reported to the Charity Commission.
24. We confirm that there are no companies associated with this charitable company for tax purposes. We understand that companies are associated for tax purposes if they are under the control of the same person or persons and there is substantial commercial interdependence between the companies. We also understand that for this purpose a person might be treated as one and the same person as: a close relative, a business partner; a trustee of a settlement of which the person or a relative was a settlor; and any company in which any of these is a shareholder.

We confirm that to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

....., [Chairman]

3/3/23..... [Date]

Appendix A to the Board Representation Letter of The Royal Bath and West of England Society:
Definitions

Financial Statements

A complete set of financial statements comprises:

- a group balance sheet as at the end of the year/period;
- a company balance sheet as at the end of the year/period;
- a group statement of financial activities for the year/period;
- a company statement of financial activities for the year/period (which may not be published);
- a group cashflow statement for the year/period; and
- notes, comprising a summary of significant accounting policies and other explanatory information.

Material Matters

Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

COMPANY NUMBER 02931640
CHARITY NUMBER 1039397

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors of the charitable company (“the Society”) are its trustees for the purposes of charitable law and throughout this report are collectively referred to as the directors.

The directors submit their report and audited financial statements for the year ended 31 December 2022. The directors’ report also represents the trustees’ report required by Part 8 of the Charities Act 2011.

OBJECTIVES AND ACTIVITIES

OBJECTIVES

The charitable objectives of the Society are the encouragement of agriculture, manufacture, commerce and rural crafts.

ACTIVITIES

The Society continues to have three main workstreams, each contributing to the charitable objectives:

1. The Royal Bath & West of England Society – responsible for the delivery of the charitable activities of the Society and regeneration and development of the Showground.
2. Bath and West Shows Limited – responsible for organising the Agricultural Shows and events.
3. Bath & West Enterprises Limited – responsible for the commercial activity on the Showground.

The business model remains quite simple; the net trading surpluses from our Shows and other Showground activity maintain the Society’s estate and invests in projects that deliver the charitable objectives – the encouragement of Agriculture, Manufacture, Commerce and Rural Crafts through education and knowledge transfer.

Our mission remains:

As a rural Charity and through the work within the Rural Enterprise Centre we will be recognised as a key influencer and educator in a range of farming, food and rural issues and be regarded as being at the hub of rural enterprise in Somerset and the West of England.

Our core values are important to us:

- Honesty & Integrity;
- Loyalty & Respect;
- Excellence & Pride; and
- Creativity & Innovation

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

PUBLIC BENEFIT

In setting the objectives and planning the activities the Directors have considered the Charity Commission's general guidance on public benefit. The Directors consider how planned activities will contribute to the aims and objectives they have set.

Accentuate the delivery of our charitable objectives

The Charity Committee Fund supports projects closely allied to the Society's charitable objectives and the Society would normally allocate 10% of the unrestricted surplus (excluding any capital disposals) per year to the fund. The Charity Committee continues to distribute financial support to a variety of projects and individuals with £9k being distributed during the year.

The Committee's objectives are:

- To encourage and facilitate research, education, knowledge transfer, innovation and related activities for the benefit of agriculture, the countryside and the rural economy of the West of England.
- To build an understanding of farming, food and the rural economy among the wider public

The following priorities have been achieved under these themes:

1. Education of Young People (under 25 yrs old)
2. Industry Knowledge Transfer and Innovation predominantly through our shows/events and through the Rural Enterprise Centre
3. Awards and Scholarships
4. Library & Archives Committee continue to act as custodians of the Society's archives.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

REVIEW OF THE YEAR

The Society started its recovery from the pandemic. The year saw the return of the Royal Bath and West Show and the British Cheese awards. Additionally, our third party events started to return to the showground, although several of the events reported reduced visitor numbers. Catherine Look succeeded Robert Drewett as Chairman of The Royal Bath and West Society in August. Robert Drewett had served for nine years as Chairman and the Society is very grateful for his hard work and guidance.

The headcount at the Society had reduced by nine during the pandemic as no events could take place. 2022 saw several new appointments including a new Chief Executive, Carol Paris, who started in July 2022. The Senior Management team were all new, either to the Society or to their roles. Charly Andrews was an external hire as Head of Commercial Sales & commenced in March, Jess Chiplen was promoted to Head of Shows in July & Garry Clulee took up his position as Head of Estates in September. These new appointments have brought new experience and enthusiasm to the Society's team but there has inevitably been some loss of history & knowledge.

The Society was much saddened by the passing of our Patron, Her Majesty the Queen, in September. Queen Elizabeth had visited the Show on three occasions: In 1948 as Princess Elizabeth and then in 1966 and 1985. We were granted the title 'Royal' in March 1976 in a letter from Her Majesty.

The Royal Bath and West Show

During 2022 we saw a gradual recovery from COVID-19 and the first three day Royal Bath and West show. There had been plans to deliver a three day show as opposed to a four day show, in 2020. However, the 2020 show was cancelled due to COVID-19 and 2021 saw the delivery of a country festival as a way of maintaining interest in the showground.

The 2022 show was very special as it coincided with Her Majesty the Queen's Platinum Jubilee and the 70th Anniversary of Her Majesty as our Patron. An extra Bank Holiday was announced for the Jubilee so both weekday show days were Bank Holidays which allowed more people to visit. Ticket sales were good with in the region of 120,000 visitors over the three days. Trade stand income however, was disappointing with some regular attendees not returning as either they had ceased trading in the pandemic or had changed their business models and were not attending events. Trade stand holders were further impacted by the Bank Holidays and availability and cost of staffing.

The Royal Bath and West Show continues to be the pinnacle of the Society's year. There were 8,000 competitive entries admired by visitors who also appreciated and supported continued innovation and development of the show. Entries were reduced on prior years again due to cost restraints.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

The Charitable Impact of the Show

Various aspects of the show provide a direct public benefit, examples of this are: competitions, promotions, skills development and education, both to competitors and visitors alike. Sections of particular note in this regard are; Farming for the family, Imagineering, Food & Drink, Woodland and countryside conservation, Bees and Honey, Orchards & Cider, Sheep Shearing, Horse Shoeing, Horses, Livestock, The Safety Zone, Horticulture and Vintage Vehicles.

The Show continues to provide a significant contribution to our charitable objectives including with a range of organisations who continue to work with us for mutual benefit. Such examples are;

- Emergency Services and the armed forces - by having a presence at the show they can promote their service and careers for young people.
- Rotary - by providing the 'Meet & Greet' service, the Rotary has a free stand at the Show to promote their charitable works.
- Girl Guides - by providing a pedestrian courier service, the Guides have a free camping site pitch for over 50 girls to experience camping and teamwork whilst providing an essential service.
- Street Theatre Group - by providing the Show with 'Show makers' service the group have a small free stand at the Show and space during the winter on the showground to build their stage sets.
- Castle Cary Rugby Club - by providing volunteers to support the Show with manual tasks, the show makes a donation to their club.
- Carnival Clubs - by providing volunteers to support the Show in the livestock section and sign erecting, the Show makes a donation to their clubs.

The Dairy Show

The Dairy Show has developed into the largest Dairy Show in the UK attracting exhibitors from across the Country for the one day show that is attended by farmers, growers and industry leaders. Trade stand space was sold out indoors and many trade stands have already rebooked for 2023. Visitor numbers were around 6,000 with entries standing at 270.

The Dairy Industry Dinner attracted nearly 400 attendees and provided ample opportunity for networking.

The knowledge transfer of innovative technologies at the Dairy Show include:

Milking robotics, feeding robotics, automatic yard cleaning technologies, drone driven cattle husbandry tools, diet, feed & nutrition regimes, dairy cow health including feet & dry cow therapies, crop management, young stock management, genetics & fertility management techniques and veterinary improvements such as reduction in antibiotic usage.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

The British Cheese Awards ('BCA') were held at the Dairy Show for the first time. Prior to the restaurant development, BCA had been held during the Main Show in the downstairs area of the restaurant. It is cost prohibitive to hire in a refrigerated marquee in case of warm June weather so another home for this event needs to be found. It was very pleasing that after two years without an event, The BCA attracted over 500 entries which were judged by more than 50 expert judges. In the evening the awards were celebrated at a dinner attended by more than 240 guests

For 2023, this will be a standalone event and then will form part of a new food & drink festival to be held in March 2024.

Enterprises

Commercial activity on the showground provides a vital income stream. There are two main income streams: the permanent tenants in the Rural Enterprise Centre and elsewhere on the showground; and the lettings of the showground for external events.

The Rural Enterprise Centre has three permanent tenants, two of which have expanded post Covid and have taken extra space.

A new Head of Commercial Sales was appointed in March 2022 & this positive move should impact on enquiries and bookings from the Showground. Several of our long standing events did not return post COVID-19 but several new events have taken place. Some of the buildings and event spaces are now looking tired & in need of refurbishment, so a programme of works will be developed to protect the income from current events going forward and to upgrade some areas to attract new events and particularly corporate events during weekdays as weekends are now well booked.

The income from the showground enables the Society to meet its charitable objectives which are the encouragement of agriculture, manufacture, commerce and rural crafts.

2023 Trading Conditions

It is anticipated that the events business will have fully recovered from COVID-19, and new events will be booked in to replace those that left. Weekends are expected to be fully booked and the focus will be on corporate weekday events and looking to host more than one event on the Showground at weekends where space allows.

Trading conditions remain challenging with the cost of living crisis, rising inflation, interest rates and utilities costs impacting the Society and may have an impact on ticket sales for events as consumers have less disposable income.

It is also key to ensure that the restaurant is trading more of the time as this is an important income stream for the Society. To improve bookings, we have appointed a new front of house coordinator after the year end to manage catering for the smaller events and utilise the facilities that we have available.

Three more new appointments will be made to ensure that the team is capable of delivering the core objectives:

An Events Coordinator - to cover attendance at weekend events and to assist Head of Commercial Sales

A Marketing & Membership coordinator - to grow our membership.

A General Handy Person - to assist in Estates so as to lower the reliance on contractors.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

FINANCIAL REVIEW

The impact of COVID-19 continued to have some impact on the performance of the business in the first quarter of 2022. With the pandemic effects receding, coupled with the influence of the new key personnel in place, trading improved during the latter part of the year, however due to global political uncertainty, the impact of higher interest rates, inflation and utility costs have all affected a fuller recovery to normal trading.

Total income returned to somewhere near expectations at £2.951m (2021: £1.750m), however total expenditure was £3.087m (2021: £1.925m). This led to a deficit of £136k (2021: deficit of £175k) and therefore, focus on cost management for 2023 remains a priority, whilst still maximising a return on investment.

Net debt reduced from £392k to £293k as trading improved, the main factor for this was an insurance settlement receipt of £252k for a business interruption claim for the COVID-19 pandemic and the deferral of any significant capital expenditure,

Consolidated unrestricted funds decreased to £5,152k (2021: £5,234k) and consolidated restricted funds decreased to £66k (2021: £120k), both in line with the deficit for the year, as disclosed in note 18 to the accounts.

There are net current liabilities of £156k (2021: £403k). Although this falls short of our medium term objective to hold liquid funds of £500k, if required, there are debt facilities of £1.35m available with Handelsbanken, an overdraft of £250k plus a loan for £1.1m, of which £400k has been utilised. The loan availability period ceases in May 23.

Our development partner Red Kite Securities Limited continues to look for development opportunities but no commercially viable plans have come forward.

RISK

The existence of an Audit Committee, that is independently chaired, ensures the Society has a risk management tool which provides appropriate checks to manage a range of risks that could affect the charity.

The principal risks to the Society are the underperformance of its trading subsidiaries as well as adverse weather and animal disease that might cause the closure of all or some of our Shows.

Although commercial trading activity is set to return to normal in 2023, the continued public cost of living issues may also have a bearing on future shows and events attendance plus, expenditure in these areas.

Given the availability of continued funding from Handelsbanken, an improved trading position for 2023 and beyond plus the cost control measures now in place, the Board believe it is appropriate to continue to adopt the going concern basis for the preparation of the accounts.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

RESERVES POLICY

The normal reserves policy is to cover the risk of inclement weather and any unplanned repairs and maintenance. The level of reserves should be sufficient to cover at least 3 months of overhead costs of the Society and target liquid reserves are £500k. Whilst the society has yet to return to a normal reserves policy, adequate liquidity is maintained through banking arrangements.

DESIGNATED FUNDS

The Charity Committee Fund supports projects closely allied to the Society's charitable objectives and the committee meets as necessary during the year to oversee the allocation of monies. The Society would normally allocate 10% of the unrestricted surplus (excluding any capital disposals) per year to the fund.

Historically, the Young People's Fund raises money from cheese sales at the Royal Bath & West Show for charitable giving, for 2022 this moved to the Dairy Show to coincide with the British Cheese Awards. There were £1k of cheese sales from the show in 2022 (2021: £nil).

TANGIBLE FIXED ASSETS AND INVESTMENT PROPERTY

Investment property consists of land in the development zones of the Showground site. The land is stated at fair value. Any gains or losses arising from valuations or disposals are recognised in the statement of financial activities in the year in which they occur. Having considered market conditions, the Board saw no reason to change the current value of investment properties at £3 million.

Information relating to the changes in tangible fixed assets and investment property is given in Note 9 and Note 10 to the financial statements. Financial commitments as at 31 December 2022 are disclosed in Note 20.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Society is a charitable company Limited by Guarantee without share capital, the guarantors being the council members to the extent of £1 each. There were 145 (2021: 134) council members at the balance sheet date.

The governing documents of the Society are the Memorandum and Articles of Association dated 23 May 1994 with subsequent amendments agreed on 18 November 1999, 19 February 2004, 16 February 2006 and 16 September 2010. These documents are supported by the Byelaws of the Society which govern the operation of the Society in more detail.

The business of the Society is managed by the directors who may exercise all the powers of the Society. The directors are appointed by the Society at the annual general meeting or by the directors although, if appointed by the directors, the director can only hold office until the next annual general meeting. The directors usually meet four times a year. At every annual general meeting, any director retiring by rotation may be re-elected.

There is a regular review of the structure of the directors of the Society. This involves a skills review as well as a review of each director's responsibilities across the Society. When a requirement is identified, a review is made to recruit directors from within the council and volunteer structure of the Society. However, for certain more specialist skills advice is sought externally.

The Society has formal procedures for the induction and training of directors and members. All new members and directors receive a training and information briefing prior to their first council or board meeting. Directors' training takes place as appropriate.

The annual general meeting comprises full council members and vice presidents. The membership has three representatives on the council of the Society and has an annual members' meeting. The members' representatives are governed by the Byelaws.

Nominations for council membership have to be approved by the directors. Council members are admitted at any general meeting. General meetings are held three times a year. The Society must hold one general meeting as an annual general meeting in each calendar year. General meetings other than the annual meeting are called extraordinary general meetings.

The day to day running of the Society is usually delegated to the Chief Executive and in turn the Senior Managers. The Chief Executive reports to the Directors who approve his or her, and senior management remuneration and any annual changes. Annual appraisals are carried out for all staff with any relevant financial and non-financial targets set.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

The Society was without a Chief Executive for the first half of 2022 and the Senior Management Team was supported by Trustee Mentors with whom they had regular contact.

An independently chaired Audit Committee provides appropriate checks to manage a range of risks that could affect the charity.

The Society relies upon a large number of volunteer members who meet regularly to discuss and deliver its charitable activities. Volunteers are supervised by the Chief Stewards and a Code of Conduct for Volunteers was introduced during the year.

RELATED PARTIES

The Society owns 100% of the share capital of Bath & West Enterprises Limited. The principal activities of which is the commercial letting of the showground site, event management and the provision of catering services.

The following directors of The Royal Bath & West of England Society were also directors of Bath & West Enterprises Limited during the year:

Dr L S Moir
R N F Drewett DL - resigned 15th July 2022
M Thatcher
M J Felton
Mrs A B Yeoman OBE DL - resigned 15th July 2022

The Society owns 100% of the share capital of Bath and West Shows Limited. The company organises the charitable shows of The Royal Bath & West of England Society and in particular, carries out only such activities as are in furtherance of the charitable objectives.

The following directors of The Royal Bath & West of England Society were also directors of Bath and West Shows Limited during the year:

J Alvis OBE - resigned 15th July 2022
R N F Drewett DL - resigned 15th July 2022
A Gibson OBE
C Look
R Uloth
D Cotton

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|---------------------------|---|
| Charity Name | The Royal Bath & West of England Society |
| Charity Number: | 1039397 |
| Company Number: | 02931640 |
| Directors: | Mrs C R Look - Chairman Dr L S Moir - Honorary Treasurer M J Felton A Gibson OBE Mrs V E Leng - appointed 6 th January 2022 Mrs S Seagar - appointed 6 th January 2022 M Thatcher P M Thomson R W Uloth Sir David Wills Bt David Cotton - appointed 15 th July 2022 Ellen Kingston - appointed 15 th July 2022 |
| Chief Executive: | Carol Paris - Appointed 4 th July 2022 |
| Registered Office: | The Showground Shepton Mallet Somerset BA4 6QN |
| Auditor: | PKF Francis Clark Chartered Accountants and Statutory Auditor Blackbrook Gate 1 Blackbrook Business Park Taunton Somerset TA1 2PX |
| Bankers: | Handelsbanken 7 Henry Street Bath BA1 1JR |

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for preparing the Annual Report of the Directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that year.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Society and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Society's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website.

Approved by the Directors on

31/3/23

and signed on their behalf by:



Catherine Look
Chairman


.....
Dr L S Moir
Honorary Treasurer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of The Royal Bath & West of England Society (the 'Charitable Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Charitable Parent Company's affairs as at 31 December 2022 and of the Group's incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate and that the trustees have disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the Charitable Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the strategic report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

In preparing the financial statements, the directors are responsible for assessing the Charitable Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Group. We gained an understanding of the industry in which the Group operates as part of this assessment to identify the key laws and regulations affecting the Group. As part of this, we reviewed the Group's website for indication of any regulations and certification in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were health and safety regulations and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities: Statement of Recommended Practice (SORP).

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Group's ability to continue operating and the risk of material misstatement to the accounts. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Review of the group's GDPR policy and enquiries to the Data Protection Officer as to the occurrence and outcome of any reportable breaches.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to cash income and expenditure, and obtained an understanding of the controls in place to mitigate the risk of fraud. We also discussed with management whether there had been any instances of known or alleged fraud, of which there were none. Based upon our understanding we designed and conducted audit procedures including:

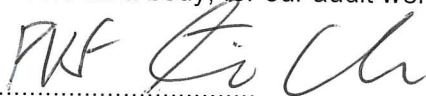
- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.
- We undertook audit procedures in respect of income recognition for each material stream of income during the year.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Farrant BA MSc FCA (Senior Statutory Auditor)

PKF FRANCIS CLARK

Chartered Accountants and Statutory Auditor

Blackbrook Gate 1,

Blackbrook Business Park

Taunton

Somerset

TA1 2PX

Date: 17th April 2023

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

| | Note | Unrestricted Funds 2022 £'000 | Restricted Funds 2022 £'000 | Total Funds 2022 £'000 | Unrestricted Funds 2021 £'000 | Restricted Funds 2021 £'000 | Total Funds 2021 £'000 |
|---|------|--|--------------------------------------|---------------------------------|--|--------------------------------------|---------------------------------|
| INCOME | | | | | | | |
| Donations and legacies | 5 | 3 | 2 | 5 | 32 | 1 | 33 |
| Charitable activities | | - | - | - | 68 | 50 | 118 |
| Other trading activities | 4 | 2,539 | - | 2,539 | 1,390 | - | 1,390 |
| Investments | | - | - | - | - | - | - |
| Other | | 407 | - | 407 | 214 | - | 214 |
| TOTAL INCOME | 3,18 | 2,949 | 2 | 2,951 | 1,704 | 51 | 1,755 |
| EXPENDITURE | | | | | | | |
| Expenditure on raising funds | | 1,175 | - | 1,175 | 579 | - | 579 |
| Expenditure on charitable activities | | 1,856 | 56 | 1,912 | 1,337 | 9 | 1,346 |
| TOTAL EXPENDITURE | 3,18 | 3,031 | 56 | 3,087 | 1,916 | 9 | 1,925 |
| NET (EXPENDITURE) / INCOME BEFORE GAINS ON INVESTMENT PROPERTIES | | (82) | (54) | (136) | (212) | 42 | (170) |
| GAINS ON INVESTMENT PROPERTIES | | - | - | - | - | - | - |
| NET (EXPENDITURE) / INCOME FOR THE YEAR AND MOVEMENT IN FUNDS | | (82) | (54) | (136) | (212) | 42 | (170) |
| RECONCILIATION OF FUNDS: | | | | | | | |
| FUNDS BROUGHT FORWARD | | 5,234 | 120 | 5,354 | 5,446 | 78 | 5,524 |
| FUNDS CARRIED FORWARD | | 5,152 | 66 | 5,218 | 5,234 | 120 | 5,354 |

The notes on pages 19 to 41 form an integral part of these financial statements.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED AND COMPANY BALANCE SHEETS
AS AT 31 DECEMBER 2022

| | | Group | Group | Company | Company |
|--|------|---------------|---------------|---------------|---------------|
| | Note | 2022 £'000 | 2021 £'000 | 2022 £'000 | 2021 £'000 |
| FIXED ASSETS | | | | | |
| Tangible Assets | 9 | 2,754 | 3,057 | 2,754 | 3,057 |
| Investment Properties | 10 | 3,000 | 3,000 | 3,000 | 3,000 |
| Investments | 11 | - | - | - | - |
| | | 5,754 | 6,057 | 5,754 | 6,057 |
| CURRENT ASSETS | | | | | |
| Stock | 12 | 17 | 17 | 17 | 17 |
| Debtors | 13 | 259 | 168 | 628 | 581 |
| Cash at Bank and in Hand | 14 | 107 | 48 | 43 | 1 |
| | | 383 | 233 | 688 | 599 |
| LIABILITIES: | | | | | |
| Creditors Falling Due Within One Year | 15 | (538) | (636) | (367) | (516) |
| NET CURRENT (LIABILITIES)/ASSETS | | (155) | (403) | 321 | 83 |
| LIABILITIES: | | | | | |
| Creditors Falling Due After More Than One Year | 16 | (381) | (300) | (381) | (300) |
| NET ASSETS | | 5,218 | 5,354 | 5,694 | 5,840 |

(continued on page 17)

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED AND COMPANY BALANCE SHEETS
AS AT 31 DECEMBER 2022 (CONTINUED)

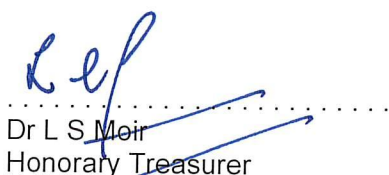
| | | Group | Group | Company | Company |
|------------------------------|------|-------|-------|---------|---------|
| | Note | 2022 | 2021 | 2022 | 2021 |
| | | £'000 | £'000 | £'000 | £'000 |
| FUNDS | | | | | |
| Unrestricted Funds | | | | | |
| General Funds | 18 | 5,508 | 5,591 | 5,508 | 5,591 |
| Non-Charitable Trading Funds | 18 | (476) | (486) | - | - |
| Designated Funds | 18 | 120 | 129 | 120 | 129 |
| | | ----- | ----- | ----- | ----- |
| | | 5,152 | 5,234 | 5,628 | 5,720 |
| Restricted Funds | 18 | 66 | 120 | 66 | 120 |
| | | ----- | ----- | ----- | ----- |
| TOTAL FUNDS | | 5,218 | 5,354 | 5,694 | 5,840 |
| | | ===== | ===== | ===== | ===== |

The financial statements were approved by the directors on their behalf by:

31/3/23 and signed on



Catherine Look
Chairman



Dr L S Moir
Honorary Treasurer

Company Registration Number: 02931640

The notes on pages 19 to 40 form an integral part of these financial statements.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

| | Note | 2022 £'000 | 2021 £'000 |
|---|------|---------------|---------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | (a) | 115 | (239) |
| Cash outflows from investing activities: | | | |
| Payments to acquire tangible fixed assets | | (3) | (17) |
| Cash used in investing activities | | (3) | (17) |
| Cash inflows from financing activities: | | | |
| Interest paid | | (13) | (4) |
| Bank borrowing drawdown | | 100 | 300 |
| Cash used in financing activities | | 87 | 296 |
| Increase/(decrease) in cash and cash equivalents | | 199 | 40 |
| Cash and cash equivalents at 1 January | | (92) | (132) |
| Cash and cash equivalents at 31 December | | 107 | (92) |

(a) Reconciliation of net income to net cash provided by operating activities

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Net expenditure for the year | (136) | (170) |
| Interest paid/(receivable) | 12 | (1) |
| Depreciation charge/loss on disposal | 305 | 310 |
| Decrease in stock | - | 1 |
| (Increase)/decrease in debtors | (89) | (114) |
| (Decrease)/Increase in creditors | 23 | (270) |
| Cash flows from operating activities | 115 | (239) |

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. COMPANY STATUS

The Company is a registered charity and a Company Limited by Guarantee incorporated in England and Wales, without share capital. The address of the registered office is The Showground, Shepton Mallet, Somerset, BA4 6QN. The guarantors are the council members to the extent of £1 each. There were 145 (2021: 134) members at the balance sheet date.

2. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

The financial statements have been prepared in accordance with Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Royal Bath & West of England Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

All amounts stated in these financial statements are expressed in round thousands, unless specifically denoted as being displayed to another basis.

The accounts are presented in sterling which is also the functional currency of the Group.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiaries, Bath & West Enterprises Limited, Bath and West Shows Limited, Bath and West Estates Management Company Limited, and British Cheese Awards Limited on a line-by-line basis.

A separate Statement of Financial Activities and Income and Expenditure Account for the Company has not been presented because the Company has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The Charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its individual financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel. Equivalent information is presented in relation to these group accounts.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

Going concern

In the light of the consolidated net current liabilities of £87k (2021: net current liabilities of £403k) as at 31 December 2022, the directors have given consideration to the operations and financial position of the Group in making their going concern assessment. In particular, the directors have given consideration to the lasting effects of the Coronavirus pandemic, and its future impact upon the financial performance and position of the group. This coupled with an uncertain UK economic situation, resulting in the pressures of an income squeeze on household and business disposable incomes, are expected to continue to slow the recovery of the group trading position.

The directors expectations for the year ended 31 December 2022 were largely met or exceeded:

- The Group was able to hold the planned the full Bath & West Show in June 2022 and the Dairy Show in October 2022.
- There was a positive cash inflow for the year of £199k (2021: £40k) after partial draw down of loan facility - see below.
- The net deficit for the year of £136k (2021: net deficit £170k) is stated after depreciation, amortisation, interest and exceptional income, giving a total EBITDA deficit for the year of £69k (2021: income of £144k).

As previously reported, due to the impact of the pandemic, additional funding was secured from Handelsbanken in 2020, comprising of an increase in the overdraft to £250k as well as a £1.1m loan facility. As at the 2022 year-end, it has only been necessary to draw down a total of £400k (2021: £300k) on the loan and so this facility remains available for use until May 2023 if required. The directors do not foresee drawing further on this facility so this option will lapse. The interest only payment period also ends during May 2023, repayments will commence thereafter.

A detailed cash flow forecast has been prepared for the period to April 2024 which is more than 12 months from the date of approval of the accounts. This assumes that there will be no further pandemic disruption. The forecast reflects the current bookings and may be subject to cancellation / postponement should there be, for example, a return to COVID restrictions. The forecast also assumes that we will be able to hold the Bath & West Show in June 2022, and planning is well advanced with ticket sales open and trade-stand and sponsorship sales at a satisfactory level already confirmed.

The directors do not anticipate any need to approach the bank for further support or extension of facilities, unless it is for capital expenditure projects.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

2. ACCOUNTING POLICIES

Based on the above, whilst recognising that there can be no certainty especially in light of the economic uncertainty impacting the UK population and, potentially, their availability of discretionary spend, the directors are satisfied that the group and company will continue to operate with sufficient cash headroom and, therefore, it is appropriate to continue to adopt the going concern basis in the preparation of the accounts.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the directors are 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.

The key judgement that has a significant impact on the financial statements is in respect of going concern, as described above, particularly in the light of ongoing general trading, and individuals cost of living conditions.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

The directors have considered the proportion of the freehold land which is considered to be held for development, and consequently disclosed as development properties, and have allocated this to investment properties according to the proportion of land which is intended to be sold.

Investment properties are stated at fair value. The directors' estimate of fair value is based upon valuations provided by external, independent valuers, each of whom have an appropriate recognised professional qualification and relevant experience. The carrying value of investment properties at the balance sheet date is £3.0m (2021: £3m) as shown in note 10. Given the current UK economic and market conditions, further key judgements are the valuations of investment properties & freehold land and the potential need for any impairment. As explained above, the Directors commissioned an external professional valuation in 2020 to support their valuation, and subsequent market conditions show no requirement for an uplift or impairment.

Key management personnel are considered to be, the directors and senior management team. Key management personnel comprised 5 individuals in 2022: Chief Executive (from May 22 only), Chief Financial Officer (consultant), Head of Commercial Enterprise, Head of Shows & Head of Estates. As trustees, the directors are not remunerated.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

Incoming Resources

Income is recognised when the Group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Revenue from lettings is recognised on provision of the letting or service to the customer in the period to which it relates.

Revenue from shows is recognised during the period in which the relevant show takes place.

Resources Expended

Resources expended are accounted for in the period in which they are incurred.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Support costs are those costs incurred in support of expenditure on the charitable activities of the Group.

Grants are payments the Company makes voluntarily to other institutions or individuals in order to further its objectives. They are charged to the Statement of Financial Activities in the period in which they are payable.

Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £1,000 are capitalised and included at cost (including any incidental expenses of acquisition).

Depreciation, calculated on the straight-line method, is provided to write off the cost less estimated residual value of the fixed assets over the course of their useful lives, except for freehold land which is not depreciated. The rates during the period were as follows:-

| | |
|---|-----------|
| Showground Buildings and Improvements | 2% - 10% |
| Plant, Implements, Furniture and Fixtures | 20% - 25% |
| Motor Vehicles | 25% |

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

Investment Properties

Properties intended for development and sale are included as investment properties. Investment properties are stated at fair value. Any gains or losses arising from valuations or disposals are recognised in the statement of financial activities in the year in which they occur.

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowances for obsolete and slow-moving items.

Cash at Bank and in Hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening the deposit or similar account.

Pension Costs

The Group contributes to a defined contribution pension scheme, the assets of which are held separately from those of the Group. The scheme is independently administered. Contributions are charged to the statement of financial activities as they fall due in accordance with the scheme rules.

Operating Leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight-line basis over the term of the lease.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the Group's objectives and which have not been designated for particular purposes.

The non-charitable trading funds are the funds of the subsidiary companies, Bath & West Enterprises Limited and Bath & West Shows Limited.

Designated funds comprise unrestricted funds that have been set aside by the directors for particular purposes. The aim and use of each designated fund is set out in the notes.

Restricted funds are funds which are to be spent in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund is set out in the notes.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

The Group only has financial assets and financial liabilities that qualify as basic financial instruments, being trade and other debtors and creditors, and cash and bank balances.

Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value. Any losses arising from impairment ('doubtful debts') are recognised in the statement of financial activities.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. ANALYSIS OF ACTIVITIES

| | 2022 | | | | | 2021 | | | | | | |
|--------------------------------|-----------------|--------------------------|---------------------------|---|--------------------|--------------------------------|-----------------|--------------------------|---------------------------|---|--------------------|--------------------------------|
| | Income £'000 | Direct Costs £'000 | Support costs £'000 | Gains on Investment Properties £'000 | Transfers £'000 | Surplus/ (deficit) £'000 | Income £'000 | Direct Costs £'000 | Support costs £'000 | Gains on Investment Properties £'000 | Transfers £'000 | Surplus/ (deficit) £'000 |
| Unrestricted/Designated | | | | | | | | | | | | |
| Membership and education | 34 | (9) | (85) | - | - | (60) | 93 | (5) | (194) | - | - | (106) |
| Other Showground income | 376 | - | (631) | - | 222 | (33) | 192 | - | (404) | - | 216 | 4 |
| Bath and West Shows Ltd | 1,656 | (1,142) | (531) | - | - | (17) | 847 | (564) | (399) | - | - | (116) |
| Bath & West Enterprises Ltd | 883 | (271) | (362) | - | (222) | 28 | 572 | (162) | (404) | - | (216) | 6 |
| Unrestricted total | 2,949 | (1,422) | (1,609) | - | - | (82) | 1,704 | (579) | (1,337) | - | - | (212) |
| Restricted | | | | | | | | | | | | |
| South West Growth Fund | - | - | (3) | - | - | (3) | - | - | (3) | - | - | (3) |
| Rural Development | - | - | (1) | - | - | (1) | - | - | (3) | - | - | (3) |
| Programme for England | - | - | - | - | - | - | - | - | - | - | - | - |
| Field to Food Learning Day | - | - | - | - | - | - | - | - | - | - | - | - |
| Somerset CC Business | - | - | (50) | - | - | (50) | 50 | - | - | - | - | 50 |
| Restart and Recovery Fund | 2 | - | (2) | - | - | - | 1 | - | (3) | - | - | (2) |
| Restricted total | 2 | - | (56) | - | - | (54) | 51 | - | (9) | - | - | 42 |
| Total | 2,951 | (1,422) | (1,665) | - | - | (136) | 1,755 | (579) | (1,346) | - | - | (170) |

Note: Other Showground income includes a business interruption claim of £252k.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. TRADING SUBSIDIARIES

Bath & West Enterprises Limited

The Company has a wholly owned trading subsidiary, Bath & West Enterprises Limited (Registered Company Number 02891950), which is incorporated in England and Wales. The registered office is The Showground, Shepton Mallet, Somerset, BA4 6QN. Bath & West Enterprises Limited carries out the non-primary charitable purpose trading activities, namely the commercial letting of the showground site, event management and the provision of catering services. A summary of its results is shown below:

| | 2022 | 2021 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Turnover | 883 | 572 |
| Cost of Sales | (271) | (162) |
| Gross Profit | 612 | 410 |
| Administrative Expenses (excluding rents payable to parent co.) | (362) | (404) |
| Profit on Ordinary Activities Before Rent | 250 | 222 |
| Rent Due to Parent Company | 216 | 216 |
| Profit on Ordinary Activities | 34 | 6 |
| Distribution paid to Parent Company | 6 | - |
| The aggregate of the assets, liabilities and funds were: | | |
| | £'000 | £'000 |
| Assets | 400 | 332 |
| Liabilities | (274) | (224) |
| | 126 | 99 |

Funds represent 2 ordinary shares of £1 each (2021: 2 ordinary shares of £1 each) and the surplus on the profit and loss account of £126,159 (2021: £98,524).

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. TRADING SUBSIDIARIES (CONTINUED)

Bath and West Shows Limited

The Company has a wholly owned trading subsidiary, Bath and West Shows Limited (Registered Company Number 08680261), which is incorporated in England and Wales. The registered office is The Showground, Shepton Mallet, Somerset, BA4 6QN. Bath and West Shows Limited carries out a primary purpose charitable activity of running the agricultural shows of the Society. A summary of its results is shown below:

| | 2022 | 2021 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Turnover | 1,656 | 847 |
| Cost of Sales | (1,142) | (564) |
| | <hr/> | <hr/> |
| Gross (Loss) / Profit | 514 | 283 |
| Administrative Expenses | (531) | (399) |
| | <hr/> | <hr/> |
| (Loss) / Profit on Ordinary Activities | (17) | (116) |
| | <hr/> | <hr/> |
| Distribution paid to Parent Company | - | 17 |
| | <hr/> | <hr/> |
| The aggregate of the assets, liabilities and funds were: | | |
| | £'000 | £'000 |
| Assets | 94 | 13 |
| Liabilities | (696) | (597) |
| | <hr/> | <hr/> |
| | (602) | (584) |
| | <hr/> | <hr/> |

Funds represent 3 ordinary shares of £1 each (2022: 3 ordinary shares of £1 each) and the deficit on the profit and loss account of £601,555 (2021: deficit of £584,212).

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

5. INCOME FROM DONATIONS AND LEGACIES

| | Group 2022 £'000 | Group 2021 £'000 |
|---|---------------------------------|---------------------------------|
| Donations | 5 | 4 |
| Coronavirus Job Retention Scheme (CJRS) | - | 29 |
| | <hr/> | <hr/> |
| | 5 | 33 |
| | <hr/> | <hr/> |

6. SUPPORT COSTS

| | Group 2022 £'000 | Group 2021 £'000 |
|------------------------------------|---------------------------------|---------------------------------|
| Wages and Salaries | 597 | 484 |
| Showground Costs (Facilities) | 702 | 414 |
| Showground Costs (Office) | 155 | 89 |
| Consultancy and Professional Costs | 50 | 17 |
| Finance Costs | 89 | 16 |
| Depreciation | 305 | 310 |
| Auditors' remuneration | 14 | 16 |
| | <hr/> | <hr/> |
| | 1,912 | 1,346 |
| | <hr/> | <hr/> |

The analysis of auditors' remuneration is as follows:

| | Group 2022 £'000 | Group 2021 £'000 |
|---|---------------------------------|---------------------------------|
| Audit of these financial statements | 5 | 4 |
| Audit of financial statements of subsidiary companies | 8 | 7 |
| Taxation services | 1 | 1 |
| Accountancy services | - | 4 |
| | <hr/> | <hr/> |
| | 14 | 16 |
| | <hr/> | <hr/> |

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

7. STAFF COSTS

| | Group 2022 £'000 | Group 2021 £'000 |
|-------------------------------|---------------------------------|---------------------------------|
| Wages and Salaries | 528 | 401 |
| Employer's National Insurance | 49 | 37 |
| Pension Costs | 20 | 19 |
| Redundancy Costs | - | 27 |
| | <hr/> | <hr/> |
| | 597 | 484 |
| | <hr/> <hr/> | <hr/> <hr/> |

The average number of employees was:

| | Group 2022 | Group 2021 |
|---|-----------------------|-----------------------|
| Charitable activities and show organisation | 16 | 9 |
| Site maintenance and development | 4 | 4 |
| | <hr/> | <hr/> |
| | 20 | 13 |
| | <hr/> <hr/> | <hr/> <hr/> |

One member of staff had emoluments, excluding pension contributions, within the band £90,001 to £100,000 (2021: None above £60,000). The contributions for the provision of retirement benefits under a money purchase pension scheme for staff within this band were £1,620 (2021: £Nil).

No remuneration was paid to the trustee directors (2021: £Nil) and no expenses have been reimbursed (2021: £Nil).

The total remuneration of key management personnel was £210,331 (6 individuals). In 2021 it was £205,727 (6 individuals).

8. TAXATION STATUS

The Company is exempt from taxation due to its charitable status. The subsidiary companies are subject to corporation tax. However, profits are donated to the charity by way of tax-deductible distribution made within 9 months of the financial year end, and consequently there is no corporation tax payable.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

9. TANGIBLE FIXED ASSETS

GROUP AND COMPANY

| | Freehold Land £'000 | Freehold Showground Buildings & Improvements £'000 | Plant, Implements, Furniture & Fixtures £'000 | Motor Vehicles £'000 | Total |
|------------------------|---------------------------|--|---|----------------------------|-------|
| COST | | | | | |
| As at 1 January 2022 | 158 | 7,697 | 925 | 38 | 8,818 |
| Additions | - | - | 3 | - | 3 |
| Disposals | - | (81) | - | - | (81) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| As at 31 December 2022 | 158 | 7,616 | 928 | 38 | 8,740 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| DEPRECIATION | | | | | |
| As at 1 January 2022 | - | 4,860 | 864 | 38 | 5,761 |
| Charge for the year | - | 273 | 32 | - | 305 |
| Eliminated on Disposal | - | (81) | - | - | (81) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| As at 31 December 2022 | - | 5,052 | 896 | 38 | 5,986 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| NET BOOK VALUE | | | | | |
| As at 31 December 2022 | 158 | 2,564 | 32 | - | 2,754 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| As at 31 December 2021 | 158 | 2,837 | 61 | - | 3,057 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

The net book value at 31 December 2022 represents fixed assets used entirely for charitable purposes.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

10. INVESTMENT PROPERTIES**GROUP AND COMPANY**

| VALUATION | Development Properties £'000 |
|--------------------------------------|---|
| As at 1 January and 31 December 2022 | 3,000 |

The Directors last commissioned a professional external valuation of investment properties by Cooper & Tanner on 31st December 2020. The Directors have reviewed the report and are satisfied that the valuation and its underlying assumptions remain appropriate as at 31 December 2022. There was no external valuation performed as at 31 December 2022.

11. FIXED ASSET INVESTMENTS**COMPANY**

The investments held by the Company are investments in subsidiary companies at a total cost of £6 (2021: £6).

Details of undertakings

| Undertaking | Holding | Proportion of voting rights and shares held | |
|---|----------------|--|-------------|
| | | 2022 | 2021 |
| <i>Subsidiary undertakings</i> | | | |
| Bath & West Enterprises Limited | Ordinary | 100% | 100% |
| Bath and West Shows Limited | Ordinary | 100% | 100% |
| Bath and West Estates Management Company Limited | Ordinary | 100% | 100% |
| British Cheese Awards Limited (+) | Ordinary | 100% | 100% |

(+) Shares held by a subsidiary company.

Further information in respect of Bath and West Shows Limited and Bath & West Enterprises Limited is provided in note 4.

The principal activity of both Bath and West Estates Management Company Limited and British Cheese Awards Limited is that of a dormant company.

The registered office of each subsidiary company shown above is The Showground, Shepton Mallet, Somerset, BA4 6QN. Each subsidiary is incorporated in England and Wales.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

12. STOCKS

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|-------------|------------------------|------------------------|--------------------------|--------------------------|
| Consumables | 17 | 17 | 17 | 17 |

13. DEBTORS

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|-------------------------------------|------------------------|------------------------|--------------------------|--------------------------|
| Trade Debtors | 139 | 60 | 19 | 22 |
| Amounts Due from Group Undertakings | - | - | 556 | 449 |
| Other Debtors | - | 6 | - | 6 |
| Other Taxation and Social Security | 30 | - | 22 | 10 |
| Prepayments and Accrued Income | 90 | 102 | 31 | 94 |
| | 259 | 168 | 628 | 581 |

14. CASH

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|--------------------------|------------------------|------------------------|--------------------------|--------------------------|
| Cash at bank and in hand | 107 | 48 | 43 | 1 |

Analysis of net debt

| GROUP | At 1 Jan 2022 £'000 | Cash flow £'000 | At 31 Dec 2022 £'000 |
|--------------------------|------------------------------|-----------------------|-------------------------------|
| Cash at bank and in hand | 48 | 59 | 107 |
| Bank overdraft | (140) | 140 | (0) |
| Bank borrowings | (300) | (100) | (400) |
| Total | (392) | 99 | (293) |

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

15. CREDITORS: Amounts falling due within one year

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|------------------------------------|------------------------|------------------------|--------------------------|--------------------------|
| Bank Overdraft | - | 140 | - | 140 |
| Bank borrowings | 19 | - | 19 | - |
| Trade Creditors | 123 | 163 | 88 | 155 |
| Amounts Due to Group Undertakings | - | - | 179 | 169 |
| Other Creditors | 13 | 4 | 3 | 4 |
| Other Taxation and Social Security | 81 | 19 | 31 | 10 |
| Accruals | 55 | 38 | 36 | 27 |
| Deferred Income (Note 17) | 247 | 272 | 11 | 11 |
| | <u>538</u> | <u>636</u> | <u>367</u> | <u>516</u> |

16. CREDITORS: Amounts falling due in over one year

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|-----------------|------------------------|------------------------|--------------------------|--------------------------|
| Bank borrowings | 381 | 300 | 381 | 300 |
| | <u>381</u> | <u>300</u> | <u>381</u> | <u>300</u> |

Group and Company

Bank borrowings

The bank loans are denominated in sterling with a nominal interest rate of 2.7% above Base rate, the final instalment is due in October 2026.

The bank loans are secured by debenture over the Company's whole assets and undertakings.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

17. DEFERRED INCOME

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|--|------------------------|------------------------|--------------------------|--------------------------|
| Balance Brought Forward | 272 | 574 | 11 | 10 |
| Trade Stand and other Advanced Bookings Received | 39 | 69 | - | - |
| Rent Received | 61 | 42 | 10 | 10 |
| Membership Received | 1 | 1 | 1 | 1 |
| Released to Statement of Financial Activities | (126) | (414) | (11) | (10) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Balance Carried Forward | 247 | 272 | 11 | 11 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Deferred income will be applied as follows: | | | | |
| Deferred Income | 247 | 272 | 11 | 11 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Within 1 year | 247 | 272 | 11 | 11 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

18. STATEMENT OF FUNDS

| GROUP | As at 1 January 2022 £'000 | Income £'000 | Expenditure £'000 | Transfers and Gains £'000 | As at 31 December 2022 £'000 |
|--|-------------------------------------|-----------------|----------------------|------------------------------|---------------------------------------|
| Unrestricted Funds: | | | | | |
| General Funds | 5,523 | 409 | (647) | 222 | 5,507 |
| Mendip DC grants | 68 | - | (68) | - | - |
| Bath and West Shows Ltd | (584) | 1,656 | (1,674) | - | (602) |
| Bath & West Enterprises Ltd | 98 | 883 | (633) | (222) | 126 |
| Designated Funds: | | | | | |
| Charity Committee | 25 | - | (8) | - | 17 |
| Young People's Funds | 4 | 1 | (1) | - | 4 |
| Infrastructure Upgrade | 100 | - | - | - | 100 |
| Total Unrestricted Funds | 5,234 | 2,949 | (3,031) | - | 5,152 |
| Restricted Funds: | | | | | |
| Showering Pavilion Heating System | 18 | - | (2) | - | 16 |
| South West Growth Fund | 32 | - | (3) | - | 29 |
| Rural Development Programme for England (RDPE) | 1 | - | (1) | - | - |
| Field to Food Learning Day | 10 | - | - | - | 10 |
| Mendip DC REC F&D Grant | 4 | - | - | - | 4 |
| Mendip DC First Aid Grant | 4 | - | - | - | 4 |
| Somerset CC Business Restart and Recovery Fund | 50 | - | (50) | - | - |
| Mental Health in Agriculture | 1 | - | - | - | 1 |
| The Queens Canopy | - | 2 | - | - | 2 |
| Total Restricted Funds | 120 | 2 | (56) | - | 66 |
| Total Funds | 5,354 | 2,951 | (3,087) | - | 5,218 |

The transfer from Bath & West Enterprises Limited also includes an intercompany rent payment of £216k.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

18. STATEMENT OF FUNDS

| GROUP | As at 1 January 2021 £'000 | Income £'000 | Expenditure £'000 | Transfers and Gains £'000 | As at 31 December 2021 £'000 |
|--|-------------------------------------|-----------------|----------------------|------------------------------|---------------------------------------|
| Unrestricted Funds: | | | | | |
| General Funds | 5,689 | 217 | (599) | 216 | 5,523 |
| Mendip DC grants | - | 68 | - | - | 68 |
| Bath and West Shows Ltd | (469) | 847 | (962) | - | (584) |
| Bath & West Enterprises Ltd | 92 | 572 | (350) | (216) | 98 |
| Designated Funds: | | | | | |
| Charity Committee | 30 | - | (5) | - | 25 |
| Young People's Funds | 4 | - | - | - | 4 |
| Infrastructure Upgrade | 100 | - | - | - | 100 |
| Total Unrestricted Funds | 5,446 | 1,704 | (1,916) | - | 5,234 |
| Restricted Funds: | | | | | |
| Showering Pavilion Heating System | 20 | - | (2) | - | 18 |
| South West Growth Fund | 35 | - | (3) | - | 32 |
| Rural Development Programme for England (RDPE) | 4 | - | (3) | - | 1 |
| Field to Food Learning Day | 10 | - | - | - | 10 |
| Mendip DC REC F&D Grant | 4 | - | - | - | 4 |
| Mendip DC First Aid Grant | 5 | - | (1) | - | 4 |
| Somerset CC Business Restart and Recovery Fund | - | 50 | - | - | 50 |
| Mental Health in Agriculture | - | 1 | - | - | 1 |
| Total Restricted Funds | 78 | 51 | (9) | - | 120 |
| Total Funds | 5,524 | 1,755 | (1,925) | - | 5,354 |

The transfer from Bath & West Enterprises Limited also includes an intercompany rent payment of £216k.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

18. STATEMENT OF FUNDS (CONTINUED)

Designated Funds:

Charity Committee

The Charity Committee Fund supports projects closely allied to the Society's charitable objectives and the Society would normally allocate 10% of the unrestricted surplus (excluding any capital disposals) per year to the fund.

Young People's Funds

This relates to the funds received from cheese sales at the Royal Bath & West Show that are designated by the Dairy Produce Committee for charitable giving during the coming year. As this event did not take place, this fund was not added to in 2021.

Infrastructure Upgrade

The Company has committed to pay its development partner £150k for the upgrade of showground infrastructure during the course of development and has therefore designated this fund within reserves. As at 31 December 2022, £100k of this commitment remains as £Nil (2021: £Nil) was paid in the year.

Restricted Funds:

Showering Pavilion Heating System

Grants were received to assist towards the costs of the sustainable energy heating system in the Showering Pavilion. The balance on this fund represents future depreciation to be written off over the life of the assets.

South West Growth Fund

In 2017 a grant of £43k was received from the South West Growth Fund towards the construction of the Rural Enterprise Centre. The balance on this fund represents future depreciation to be written off over the life of the assets.

Rural Development Programme for England (RDPE)

In 2018 a grant of £14k was received from RDPE to fund the development kitchen in the REC. This was spent in the 2018 year. The balance on this fund represents future depreciation to be written off over the life of the assets

Field to Food Learning Day

In 2020 a grant of £10k was received from the Fairfield Charitable Trust to fund the Field to Food Learning Day. The funds have been carried forward to be spent in future years.

Mendip District Council REC F&D Grant

In 2018 a grant of £4k was received from MDC to fund the development of the REC. Due to COVID-19 restrictions, this was not spent in 2022 but is expected to be spent in future.

The Queens Canopy

In 2022, money was raised for the planting of trees to celebrate the Queens Jubilee, this money is expected to be utilised in 2023.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

18. STATEMENT OF FUNDS (CONTINUED)**Mendip District Council First Aid Grant**

A grant of £6k was received from MDC to fund the construction of a Medical post. The balance on this fund represents future depreciation to be written off over the life of the asset.

Somerset County Council Business Restart and Recovery Fund Grant

In 2021, a grant of £50k was received from SCC to fund the recruitment and employment and staff required to build up the operating team post COVID-19. This grant was received late in 2021 and was spent during this year.

Mental Health in Agriculture

A donation of £1k was received in 2021 and will be spent in future years.

COMPANY

For the purpose of section 408 of the Companies Act 2006, the net movement of funds for the Company is a deficit of £147k (2021: deficit of £61k). Total funds brought forward were £5,840k (2021: £5,901k). Total funds carried forward were £5,693k (2021: £5,840k).

19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

| | General Funds £'000 | Designated Funds £'000 | Restricted Funds £'000 | Total £'000 |
|------------------------------------|---------------------------|------------------------------|------------------------------|----------------|
| Fund balances at 31 December 2022: | | | | |
| Tangible Fixed Assets | 2,709 | - | 45 | 2,754 |
| Investment Properties | 3,000 | - | - | 3,000 |
| Other Assets/(Liabilities) | (627) | 120 | 21 | (486) |
| | <u>5,081</u> | <u>120</u> | <u>66</u> | <u>5,268</u> |

There are sufficient resources available, held in an appropriate form, to enable restricted and designated funds to be applied in accordance with restrictions imposed.

| | General Funds £'000 | Designated Funds £'000 | Restricted Funds £'000 | Total £'000 |
|------------------------------------|---------------------------|------------------------------|------------------------------|----------------|
| Fund balances at 31 December 2021: | | | | |
| Tangible Fixed Assets | 3,002 | - | 55 | 3,057 |
| Investment Properties | 3,000 | - | - | 3,000 |
| Other Assets/(Liabilities) | (897) | 129 | 65 | (703) |
| | <u>5,105</u> | <u>129</u> | <u>78</u> | <u>5,354</u> |

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

20. FINANCIAL COMMITMENTS

Financial

As at 31 December 2022 the Group had £100k authorised and contracted financial commitments (2021: £100k).

£100k (2021: £100k) relates to a contribution to the Company's development partner to upgrade the showground infrastructure for future development, the exact timing of which cannot be determined.

Obligations under Non-cancellable Leases: as a lessee:-

As at 31 December 2022 the Group had total commitments under non-cancellable operating leases, for the following minimum lease payments:

| | 2022 £'000 | 2021 £'000 |
|---------------|---------------|---------------|
| Expiry Date: | | |
| Within 1 year | 4 | 15 |
| 2 to 5 years | - | 4 |
| | ----- | ----- |
| | 4 | 19 |
| | ===== | ===== |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £15k (2021: £14k).

Obligations under Non-cancellable Leases: as a lessor:-

As at 31 December 2022 the Group had contracted with tenants under non-cancellable operating leases, for the following minimum lease payments:

| | 2022 £'000 | 2021 £'000 |
|---------------|---------------|---------------|
| Expiry Date: | | |
| Within 1 year | 145 | 145 |
| 2 to 5 years | - | 130 |
| | ----- | ----- |
| | 145 | 275 |
| | ===== | ===== |

The operating leases represent rental of properties to third parties.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

21. RELATED PARTY TRANSACTIONS

In accordance with FRS 102, the company is exempt from the requirement to disclose transactions with wholly owned group companies. There were no other related party transactions in the year (2021: None).

Transactions with the directors are disclosed in Note 7.

The Royal Bath & West of England Society
Registered in England and Wales - Company number: 02931640

Registered Office:
The Showground
Shepton Mallet
BATH
BA4 6QN

Francis Clark LLP trading as PKF Francis Clark
Chartered Accountants
Ground Floor
Blackbrook Gate 1
Blackbrook Business Park
Taunton
TA1 2PX

Dear Sirs

Financial Statements of The Royal Bath & West of England Society for the year ended 31 December 2022

This representation letter is provided in connection with your audit of the financial statements of The Royal Bath & West of England Society ("the charitable company"), and of the group of which the charitable company is the parent company ("the group"), for the year ended 31 December 2022 for the purpose of expressing an opinion as to whether these financial statements give a true and fair view of the results and financial position of The Royal Bath & West of England Society and the group in accordance with The Companies Act 2006, UK Generally Accepted Accounting Practice and the Statement of Recommended Practice 'Accounting and Reporting by Charities' [Charities SORP (FRS 102)].

The representations made in this letter are in accordance with the definitions set out in the Appendix to this letter.

We confirm that:

Financial statements

1. We have fulfilled our responsibilities as trustees, as set out in the terms of the audit engagement letter dated 14 February 2019, for preparing financial statements in accordance with The Companies Act 2006, United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Accounting and Reporting by Charities' [Charities SORP (FRS 102)], which give a true and fair view of the state of the charitable company's and the group's affairs as at the end of its financial year and of the charitable company's and the group's income and expenditure for the year then ended and for making accurate representations to you.
2. Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
4. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements to you and these have been disclosed in accordance with UK Generally Accepted Accounting Practice.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with UK Generally Accepted Accounting Practice.
6. All events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or disclosed in the financial statements.

7. We confirm that the financial statements are free of material misstatements, including omissions. We believe that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter, together with our reasons for not correcting them.
8. We confirm, having considered our expectations and intentions for the next twelve months, and the availability of working capital, and having given due consideration to the known and potential impacts of the coronavirus pandemic on the operations and financial performance and position of both the Group and the charitable company, as well as the availability of unrestricted funds, that the charitable company and the group are going concerns.
9. We confirm that, in the opinion of the trustees, the carrying value of investment property held by the group, being £3m, is considered to be appropriate as at 31 December 2022, and that the assets are not impaired at this time.
10. We confirm that the charitable company is committed to paying £100k to the developer as regards the provision of utilities to the development of land. There is no liability to the charitable company at 31 December 2021. Disclosures in the accounts regarding this financial commitment are accurate and complete.

Information provided

11. We have made available to you all accounting and other records, including minutes of all trustees' and management meetings, and other information relevant for the purposes of your audit. We have provided all additional information that you have requested for the purposes of your audit and given unrestricted access to persons within the charitable company and the group from whom you determined it necessary to obtain audit evidence or request information.
12. All transactions have been properly recorded in the accounting records and are reflected in the financial statements.
13. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.
14. We have disclosed to you all information in relation to fraud or suspected fraud of which we are aware and that affects the charitable company and the group and involves management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the financial statements.
15. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the charitable company's and the group's financial statements communicated by employees, former employees, analysts, regulators or others.
16. We confirm that we are not aware of any possible or actual instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements, except as explained to you. We confirm that the company and the group have complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
17. We confirm that the charitable company and the group have satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.
18. We confirm that there are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements. We confirm that the charitable company and the group

have not contracted for any capital, or other, expenditure, other than as disclosed in the financial statements.

19. We confirm that the charitable company and the group have at no time during the year entered into any arrangement, transaction or agreement to provide credit facilities (including loans, quasi loans, or credit transactions) for trustees, nor to guarantee or provide security for such matters, except as disclosed in the financial statements.
20. We confirm that we are aware that a related party of the charitable company and group is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the charitable company or vice versa and as a result will include trustees, other key management, close family and other business interests of the previous. We confirm that we have disclosed to you the identity of all related parties and all the related party relationships and transactions of which we are aware.
21. We confirm that all income and expenses have been fully recorded and correctly classified in the correct fund.
22. We confirm that all grants, donations and other income, including those subject to special terms and conditions or received for restricted purposes, have been notified to you. There have been no breaches of terms or conditions during the period regarding the application of such income.
23. We confirm that we are not aware of any matters of material significance that should be reported to the Charity Commission.
24. We confirm that there are no companies associated with this charitable company for tax purposes. We understand that companies are associated for tax purposes if they are under the control of the same person or persons and there is substantial commercial interdependence between the companies. We also understand that for this purpose a person might be treated as one and the same person as: a close relative, a business partner; a trustee of a settlement of which the person or a relative was a settlor; and any company in which any of these is a shareholder.

We confirm that to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully


....., [Chairman]


..... [Date]

Appendix A to the Board Representation Letter of The Royal Bath and West of England Society:
Definitions

Financial Statements

A complete set of financial statements comprises:

- a group balance sheet as at the end of the year/period;
- a company balance sheet as at the end of the year/period;
- a group statement of financial activities for the year/period;
- a company statement of financial activities for the year/period (which may not be published);
- a group cashflow statement for the year/period; and
- notes, comprising a summary of significant accounting policies and other explanatory information.

Material Matters

Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

