

COMPANY NUMBER 02931640  
CHARITY NUMBER 1039397

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

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2012**

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**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

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**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**REFERENCE AND ADMINISTRATIVE INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**COMPANY INFORMATION**

**Charity Number:** 1039397

**Company Number:** 02931640

**Directors:**

**(FC: Member of Finance Committee)** J Alvis MBE – Vice Chairman  
R W Ash (FC)  
R T Calver (FC)  
Lord Cameron of Dillington DL  
R N F Drewett DL (FC) – Chairman  
M Felton  
A Gibson OBE  
N G K Hutchen (FC) – Honorary Treasurer  
Miss E Matheson of Matheson, DL  
Mrs A C Maw  
E W White (FC) (Resigned 15 January 2013)  
Mrs A B Yeoman OBE DL

**Chief Executive:** H J Guise

**Company Secretary:** D H C Batten (Resigned 23 October 2012)  
N G K Hutchen (Appointed 23 October 2012)

**Registered Office:** The Showground  
Shepton Mallet  
Somerset  
BA4 6QN

**Auditor:** Old Mill Audit LLP  
Chartered Accountants and Statutory Auditor  
Bishopbrook House  
Cathedral Avenue  
Wells  
Somerset  
BA5 1FD

**Bankers:** Handelsbanken  
40 Queen Square  
Bristol  
BS1 4QP

**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

The directors of the charitable company ("the Company") 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 2012. The directors' report also represents the trustees' report required by Part 8 of the Charities Act 2011 and is prepared in accordance with the small companies regime (section 419(2) of the Companies Act 2006)

The reference and administrative information set out on page 1 forms part of this report

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Company is a charitable Company Limited by Guarantee without share capital, the guarantors being the council members to the extent of £1 each. There were 130 (2011 130) council members at the balance sheet date

The governing documents of the Company 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 Company which govern the operation of the Company in more detail

The business of the Company is managed by the directors who may exercise all the powers of the Company. The board of directors is referred to as the Executive Board. The directors are appointed by the Company 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 six times a year. At every annual general meeting directors retiring by rotation may be re-elected

There is a twice yearly review of the structure of the Executive Board of the Company. This involves a skills review as well as a review of the director's responsibilities across the Company. When a requirement is identified, a review is made to recruit directors from within the council and volunteer structure of the Company. However, for certain more specialist skills advice is sought from a much wider group sector in which the Company works

The Company 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. Director's training takes place once a year as appropriate in addition to an annual away day for the board when they review many aspects of the Company

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

**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

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 Company 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 Company is delegated to the Chief Executive and staff.

The Company relies in its charitable activities upon a large number of volunteer members who meet regularly to discuss activities. Volunteers are supervised by the Chief Stewards.

**OBJECTIVES AND ACTIVITIES**

**Objectives**

The charitable objective of the Company is the promotion of agriculture, manufacture, commerce and rural crafts.

The Company seeks to achieve the charitable objectives in a variety of measurable ways including

- Encouraging research through the provision of grants and scholarships,
- Holding technical events and seminars,
- Providing advice,
- Education of a wider audience about the ways of the countryside and encouraging farmers to understand the importance of their neighbours as consumers,
- Contributing to the development of a new strategy for the South West Region,
- Promoting the awareness of farmers who have been trained to be food providers about the new opportunities for non food crops and environmental management,
- Education for children (The Consumers of the Future) to help shape buying policy in the interests of the environment, animal welfare and food safety, and
- Providing a market place for products of the countryside

The work on identifying the major risks to which the Company is exposed, including controls and monitoring is in place. The directors are satisfied that all major risks have been identified and systems put in place to mitigate those risks. Procedures for regular review are in place.

**Public Benefit**

In setting the objectives as set out above and planning the activities the Directors have given careful consideration to the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future objectives. In particular, the directors consider how planned activities will contribute to the aims and objectives they have set.

**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)**

**OBJECTIVES AND ACTIVITIES (CONTINUED)**

**Activities**

2012 was a really difficult year for outdoor events across the UK, evidenced by the cancellation of a number of leading shows due to extreme weather conditions. Fortunately, the flagship Royal Bath and West Show was not affected by this, as it fell early in the year before the unusual weather patterns commenced. However, for the first time in many years the Show was held during term time as school holiday dates moved to accommodate HM The Queen's Diamond Jubilee Celebrations. This, coupled with extra expenditure to counteract the likely negative effects on visitor numbers, is considered the primary reason why the annual accounts are in deficit. The economic climate is a further factor, which may have contributed in an immeasurable way.

Although light on visitor numbers our 2012 Show was widely regarded as among the best – not least for ease of movement around the site! We were proud to be able to display a working demonstration of robotic milking, and this was a popular feature. This was designed to encourage consumers to consider whether technology in agriculture can exist alongside a requirement for wholesome food production. Auto analysis of milk constituents, including health parameters, and the ability for cows to milk on demand are key features of these systems, which are becoming popular on smaller family farms. Providing more time for principals to attend to other management tasks, while animal welfare and food safety are supported technologically, enables these smaller farms to thrive in a commodity market. Their role in maintaining our landscape has been widely recognised, strengthening the need to ensure their survival. This is just one example of how we try to fund displays and demonstrations to encourage consumers to consider issues facing farmers and to help them make informed buying decisions.

Our Dairy show, and its pre-show dinner continue to grow in popularity. This is a specialist show for farmers and the dairy industry, and its focus on production and genetics appears to be a winning formula. Our main competitor in the sector is changing its marketing stance, and we are determined to preserve ours in the hope that the two shows will become so distinctly different that there will be a more accessible share of the market for both organisations.

Grassland, the show which is held in the South West every three years, was also a success, but not without its challenges. Torrential rainfall in the weeks prior to the show meant that the grassland destined for the trade exhibition and working demonstrations of grass handling equipment was so waterlogged that it was unusable. Fortunately, at the last minute we were able to relocate the trade exhibition to the permanent showground adjacent to the Show site, and make use of its infrastructure to enable a trade show to go ahead. The working demonstrations were the victims of the weather, but almost all trade exhibitors supported the move (in favour of overall cancellation) and reported good trading conditions.

There is great competition for knowledge transfer, with the widespread access to any information at the click of a button on the internet. Traditional theatre-style conferences are difficult to promote, so a new initiative this year was the move to establish work study tours, to promote the many opportunities within the Society to its members. The first of these was a visit to a family farmhouse cheesemaker, serving over 100 smaller dairies in the South West, but having products with a global brand and reach. The second was a visit to a further family farming enterprise, an artisanal cheesemaker, but having been very successful in

**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)**

**OBJECTIVES AND ACTIVITIES (CONTINUED)**

**Activities (Continued)**

developing the family property portfolio all based on renewable energy Both these visits were to Chief Stewards of the Society, and were well attended and received Study tours will now replace our conferences as more efficient ways of transferring knowledge

Good fortune is the only explanation for the fact that heavy rain did not further exacerbate our challenges in 2012, as it did for so many other activities and comparatively our finances were not disastrously affected That being said, many of the events held via the trading company were damaged by weather conditions, which in turn had a depressing effect on our income from ancillaries such as catering

During the year significant progress was made towards a complete review of corporate governance The new structure was debated and decided for introduction in 2013

The portfolio of shows remained healthy, although the Gardening show continued to prove challenging This separate event will not go ahead in 2013, but be amalgamated with the Bath and West Show horticultural section, to allow the staff to concentrate on the 150<sup>th</sup> Show and seek further advice and support for the Society's efforts to promote horticulture

Showground development to enable the refurbishment of the Society's facilities made slow progress during the year, with a number of interests coming forward, but not reaching fruition This is almost entirely due to the economic circumstances, but comfort is derived from the fact that the Society has this opportunity when the time is right In the meantime, our renewable energy installations are contributing to the funds available for charitable work, and more opportunities in this sector are being developed

In all a challenging year – but building bricks are in place for future growth and security, and our core charitable objective of supporting farming and rural business was able to thrive in difficult times

**FINANCIAL REVIEW**

**Results for the Year**

The unrestricted group net outgoing resources for the year were £155,084 (2011 Incoming £174,190) There were restricted group net outgoing resources of £21,730 (2011 Incoming £45,876)

The Trading Company continues to make a crucial contribution to the Society's finances with a surplus for the year of £419,048 (2011 £445,343) The results of the Trading Company after rent payable to the Society of £195,000 (2011 £186,000) are included in the group figures above

The total group net outgoing resources for the year amounted to £176,814 (2011 incoming £220,066)

**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)**

**FINANCIAL REVIEW (CONTINUED)**

**Results for the Year (Continued)**

Group net current assets decreased from £83,246 at 31 December 2011 to net liabilities of £108,822 at 31 December 2012. There was an on-going investment in the infrastructure of the company with capital expenditure of £290,752 (2011 £415,108)

**Reserves**

The reserves of the Company freely available to be spent in furtherance of its charitable objectives were as follows -

	2012 £	2011 £
Total Group Reserves	1,917,818	2,094,632
Less Restricted Funds	(71,585)	(93,315)
Designated Funds	(14,193)	(33,631)
Fixed Assets Used for Charitable Purposes	(1,963,055)	(1,918,071)
	<hr/>	<hr/>
(Deficit)/Surplus on Free Reserves	(131,015)	49,615
	<hr/>	<hr/>

After successfully building reserves in recent years the results reported above have impacted adversely on this trend. Although 2013 is likely to continue to show a deficit on Free Reserves the directors are committed to building adequate reserves to protect the delivery of our charitable objectives.

**Grants Payable**

The Company decides each year on an allocation of monies to a grants fund. Applications are invited from individuals and organisations for support for projects closely allied to the Company's charitable objectives. A grants committee, which meets as necessary during the year, oversees the allocation of grants.

**Tangible Fixed Assets**

Information relating to the changes in tangible fixed assets is given in Note 9 to the financial statements. Freehold land (the Showground site) is included at cost in the financial statements at £208,283. The directors consider that the market value is substantially higher but no valuation is available.

**RELATED PARTIES**

The Company owns 100% of the share capital of The Bath and West Trading Co Limited, the principal activity of which is the commercial organisation of events and the provision of catering services. The following directors of The Royal Bath and West of England Society are also directors of The Bath and West Trading Co Limited.

R Ash (Appointed 1 March 2013)  
R T Calver  
M J Felton (Appointed 1 March 2013)

N G K Hutchen  
Mrs A B Yeoman (appointed 1 March 2013)



**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012 (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 Company and the Group and of the incoming resources and application of resources, including 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 Company will continue in business

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company 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 Company 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 Company's auditor is 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

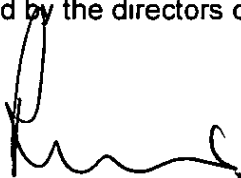
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website

**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)**

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under part 15 of Companies Act 2006

Approved by the directors on 26 3 13 and signed on their behalf by



R N F Drewett  
Chairman



N G K Hutchen  
Honorary Treasurer

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

We have audited the financial statements of The Royal Bath and West of England Society (Company Limited by Guarantee) for the year ended 31 December 2012 which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the Group and Company balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the 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 for 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.

**Respective Responsibilities of Directors and Auditor**

As explained more fully in the Statement of Directors' Responsibilities, the Directors (who are also the Trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the Audit of the Financial Statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on Financial Statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's and Group's affairs as at 31 December 2012 and of its incoming resources and application of resources, including its 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 Companies Act 2006

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)**

**Opinion on Other Matter Prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

**Matters on which we are Required to Report by Exception**

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,
- the financial statements are not in agreement with the accounting records and returns,
- certain disclosures of directors' remuneration specified by law are not made,
- 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 and the directors' report in accordance with the Small Companies requirements

Old Mill Audit LLP

Peter Haugh (Senior Statutory Auditor)  
FOR AND ON BEHALF OF OLD MILL AUDIT LLP  
Chartered Accountants and Statutory Auditor  
Bishopbrook House  
Cathedral Avenue  
Wells  
Somerset  
BA5 1FD

27-3-13

Date

**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
<b>INCOMING RESOURCES</b>					
Incoming Resources from Generated Funds					
Voluntary Income					
Donations		20,546	-	20,546	2,810
Grants Received		-	(8,678)	(8,678)	58,622
Activities for Generating Funds					
Rents		91,943	-	91,943	96,267
Trading Subsidiary Income	4	1,170,703	-	1,170,703	1,125,195
Incoming Resources from Charitable Activities		2,030,541	-	2,030,541	2,063,859
Other Incoming Resources					
Subscriptions		49,082	-	49,082	44,417
Gain on Disposal of Fixed Assets		-	-	-	2,583
Other Income		29,386	-	29,386	30,863
<b>TOTAL INCOMING RESOURCES</b>	<b>3</b>	<b>3,392,201</b>	<b>(8,678)</b>	<b>3,383,523</b>	<b>3,424,616</b>
<b>RESOURCES EXPENDED</b>					
Cost of Generating Funds					
Trading Subsidiary Expenditure	4	556,656	-	556,656	493,852
Charitable Activities	15	2,913,601	13,052	2,926,653	2,638,981
Governance Costs	6	77,028	-	77,028	71,717
<b>TOTAL RESOURCES EXPENDED</b>		<b>3,547,285</b>	<b>13,052</b>	<b>3,560,337</b>	<b>3,204,550</b>
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(155,084)</b>	<b>(21,730)</b>	<b>(176,814)</b>	<b>220,066</b>
<b>FUNDS BROUGHT FORWARD</b>		<b>2,001,317</b>	<b>93,315</b>	<b>2,094,632</b>	<b>1,874,566</b>
<b>FUNDS CARRIED FORWARD</b>		<b>1,846,233</b>	<b>71,585</b>	<b>1,917,818</b>	<b>2,094,632</b>

The notes on pages 15 to 27 form an integral part of these financial statements

**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**SUMMARY CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 £	2011 £
Income	3,383,523	3,424,616
Direct Costs	(1,824,994)	(1,540,338)
	<hr/>	<hr/>
Gross Surplus	1,558,529	1,884,278
Overheads		
- Support Costs	(1,658,315)	(1,592,495)
- Governance Costs	(77,028)	(71,717)
	<hr/>	<hr/>
Net (Deficit)/Surplus for the Year	(176,814)	220,066
	<hr/>	<hr/>

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 4 which, together with the Notes to the Financial Statements on pages 15 to 27, provides full information on the movement during the year on all the funds

All income and expenditure derives from continuing activities

There are no recognised gains or losses other than net income for the year shown above

The notes on pages 15 to 27 form an integral part of these financial statements

**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**CONSOLIDATED AND COMPANY BALANCE SHEETS**  
**AS AT 31 DECEMBER 2012**

	Note	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
<b>FIXED ASSETS</b>					
Tangible Assets	9	2,026,640	2,011,386	2,026,640	2,011,386
Investments	10	-	-	2	2
		<hr/>	<hr/>	<hr/>	<hr/>
		2,026,640	2,011,386	2,026,642	2,011,388
<b>CURRENT ASSETS</b>					
Stock	11	24,217	31,020	24,217	31,020
Debtors	12	271,469	234,693	259,674	226,623
Cash at Bank and in Hand		123,138	328,491	93,601	288,419
		<hr/>	<hr/>	<hr/>	<hr/>
		418,824	594,204	377,492	546,062
<b>CREDITORS: Amounts Falling Due Within One Year</b>					
	13	(527,646)	(510,958)	(487,116)	(463,618)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(108,822)	83,246	(109,624)	82,444
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET ASSETS</b>		1,917,818	2,094,632	1,917,018	2,093,832
		<hr/>	<hr/>	<hr/>	<hr/>

**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**CONSOLIDATED AND COMPANY BALANCE SHEETS**  
**AS AT 31 DECEMBER 2012 (CONTINUED)**

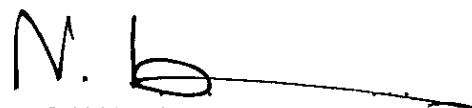
	Note	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
<b>FUNDS</b>					
<b>Unrestricted Funds</b>					
General Funds	15	1,831,240	1,966,886	1,831,240	1,966,886
Non Charitable Trading Funds	15	800	800	-	-
Designated Funds	15	14,193	33,631	14,193	33,631
		<hr/>	<hr/>	<hr/>	<hr/>
		1,846,233	2,001,317	1,845,433	2,000,517
<b>Restricted Funds</b>					
	16	71,585	93,315	71,585	93,315
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>		1,917,818	2,094,632	1,917,018	2,093,832
		<hr/>	<hr/>	<hr/>	<hr/>

These financial statements have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the directors on 26 3 13 and signed on their behalf by



R N F Drewett  
Chairman



N G K Hutchen  
Honorary Treasurer

Company Registration Number 02931640

The notes on pages 15 to 27 form an integral part of these financial statements



**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**1. COMPANY STATUS**

The Company is a registered charity and a Company Limited by Guarantee, without share capital. The guarantors are the council members to the extent of £1 each. There were 130 (2011: 130) members at the balance sheet date.

**2. ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared in accordance with the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005), the Charities Act 2011 and the Companies Act 2006. The principal accounting policies which have been adopted on a consistent basis within that convention are set out below.

No separate statement of financial activities has been presented for the Company alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

**Group Financial Statements**

These financial statements consolidate the results of the Company and its subsidiary Company, The Bath and West Trading Co Limited, on a line by line basis.

The assets and liabilities of the subsidiary Company are consolidated in the Balance Sheet. The gross income and gross expenditure of the subsidiary, The Bath and West Trading Co Limited, are included in the consolidated statement of financial activities.

**Incoming Resources**

Income is recognised in the period in which the Company is entitled to receipt and the amount can be quantified with reasonable certainty.

Trade stand income relating to future years is shown as deferred income.

All income is shown net of value added tax where applicable.

Intangible income in the form of donated goods and services is not considered to be material in accounting terms and no adjustments have been made to the financial statements.

**THE ROYAL BATH AND WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)**

## **2. ACCOUNTING POLICIES (CONTINUED)**

### **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 directly in support of expenditure on the charitable activities of the Company. Governance costs are those incurred in connection with the administration of the Company and compliance with constitutional and statutory requirements

Grants (Education) 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	10% - 25%
Motor Vehicles	25%

No depreciation is provided on freehold land

The Company has various assets which have been donated over the years such as cups and trophies, paintings and a library and which are held in perpetuity. These assets have not been capitalised as the directors consider it impractical to obtain reasonable estimates of their original cost

### **Stocks**

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

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**2. ACCOUNTING POLICIES (CONTINUED)**

**Pension Costs**

The Company contributes to a defined contribution pension scheme, the assets of which are held separately from those of the Company. 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.

**Hire Purchase Agreements**

Assets held under hire purchase agreements are included in the balance sheet at cost less depreciation in accordance with the Company's normal accounting policy. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the statement of financial activities over the life of the lease in proportion to the balance of the capital payments outstanding.

**Fund Accounting**

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

The non-charitable trading funds are the funds of the subsidiary company, The Bath and West Trading Co 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.

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**3. ANALYSIS OF ACTIVITIES**

ANALYSIS OF ACTIVITIES	2012					2011				
	Income £'000	Direct Costs £'000	Contribution £'000	Indirect Costs £'000	Surplus/ (Deficit) £'000	Income £'000	Direct Costs £'000	Contribution £'000	Indirect Costs £'000	Surplus/ (Deficit) £'000
Charitable Activities										
Unrestricted/Designated										
Main Show	1,424	(1,126)	298	(970)	(672)	1,684	(965)	719	(1,084)	(365)
Other Shows	601	(358)	243	(411)	(168)	380	(287)	93	(245)	(152)
Development Project	-	-	-	-	-	20	(20)	-	-	-
Education	-	(36)	(36)	-	(36)	-	(25)	(25)	-	(25)
Other Charitable Activities	196	-	196	(77)	119	216	-	216	(72)	144
Other Activities	(8)	(13)	(21)	(13)	(34)	-	-	-	(13)	(13)
Total Charitable Activities	2,213	(1,533)	680	(1,471)	(791)	2,300	(1,297)	1,003	(1,414)	(411)
Other Activities										
Trading Subsidiary (Note 4)	1,170	(292)	878	(264)	614	1,125	(244)	881	(250)	631
Total	3,383	(1,825)	1,558	(1,735)	(177)	3,425	(1,541)	1,884	(1,664)	220

The total Charitable Activities indirect costs shown above of £1,471,000 (2011 £1,414,000) comprise support and governance costs as per notes 5 and 6

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**4. TRADING SUBSIDIARY**

The Company has a wholly owned trading subsidiary, The Bath and West Trading Co Limited (Registered Company Number 02891950), which was incorporated in England. The Bath and West Trading Co Limited carries on the non primary charitable purpose trading activities namely the commercial letting of the showground site and provision of catering services. Financial statements have been filed with the Registrar of Companies.

A summary of its results is shown below

	2012 £	2011 £
Turnover	1,170,703	1,125,195
Cost of Sales	(292,435)	(244,072)
	<hr/>	<hr/>
Gross Profit	878,268	881,123
Administrative Expenses (excluding rents payable to parent company)	(264,221)	(249,780)
Interest Receivable	1	-
	<hr/>	<hr/>
Profit on Ordinary Activities Before Rent	614,048	631,343
Rent Due to the Royal Bath and West of England Society (eliminated on consolidation)	(195,000)	(186,000)
	<hr/>	<hr/>
Profit Donated to Parent Company by Gift Aid	419,048	445,343
	<hr/>	<hr/>
The aggregate of the assets, liabilities and funds were		
Assets	108,410	105,727
Liabilities	107,608	(104,935)
	<hr/>	<hr/>
	802	802
	<hr/>	<hr/>

Funds represent 2 ordinary shares of £1 each (2011: 2 ordinary shares of £1 each) and the balance on the profit and loss account of £800 (2011: £800).

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**5. SUPPORT COSTS**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	499,450	502,422
Health Care Costs	12,714	10,237
Rates, Insurance and Power	195,435	124,471
Repairs and Planned Maintenance	201,153	240,063
Postage, Printing and Stationery and Telephone	49,787	55,815
Travel, Transport and Subsistence	35,961	40,282
Training and Health and Safety	18,472	11,759
Depreciation	275,498	262,790
Operating Lease Rentals	17,174	17,262
Hire Purchase Interest	-	224
Bad Debts	-	225
Bank and Credit Card Charges	12,941	13,239
Consultancy, Professional and Accreditation	34,718	24,431
Computer Consultancy and Software	20,857	18,413
Showground Security	9,105	7,574
Affiliations and Donations	2,909	4,925
Marketing	5,225	5,259
Miscellaneous	2,695	3,324
	<hr/>	<hr/>
	1,394,094	1,342,715
	<hr/>	<hr/>

**6. GOVERNANCE COSTS**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	60,927	60,921
Office Costs	3,271	3,176
Audit	7,830	7,620
Professional Fees	5,000	-
	<hr/>	<hr/>
	77,028	71,717
	<hr/>	<hr/>

Included within Professional Fees are fees payable to the auditor in respect of other services of £5,000 (2011 £nil)

In addition included within the administrative expenses of the trading subsidiary as disclosed in Note 4 are audit fees of £5,060 (2011 £4,910) and other fees of £265 (2011 £255) payable to the auditor

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**7. STAFF COSTS**

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Wages and Salaries	597,770	575,545	491,697	484,436
Employer's National Insurance	59,527	58,949	51,516	48,949
Pension Costs	28,621	39,602	26,047	37,101
	<hr/>	<hr/>	<hr/>	<hr/>
	685,918	674,096	569,260	570,486
	<hr/>	<hr/>	<hr/>	<hr/>

In addition to amounts shown in notes 5 and 6 above for wages and salaries are amounts of £116,656 (2011 £103,609) included in The Bath and West Trading Company Limited and £8,885 (2011 £7,144) included in direct costs in note 3

The average number of employees was

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Cost of Generating Funds	3	3	-	-
Charitable Activities	19	19	19	19
Governance Costs	1	1	1	1
	<hr/>	<hr/>	<hr/>	<hr/>
	23	23	20	20
	<hr/>	<hr/>	<hr/>	<hr/>

One member of staff had emoluments, excluding pension contributions, within the band £100,001 - £110,000 (2011 one in the band £90,001 to £100,000) The contributions for the provision of retirement benefits under a money purchase pension scheme for staff within this band were £10,005 (2011 £17,221)

No remuneration was paid to the directors (2011 £Nil)

**8. TAXATION STATUS**

The Company is exempt from taxation due to its charitable status

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**9. TANGIBLE FIXED ASSETS**

**GROUP AND COMPANY**

	Freehold Land Improvements £	Freehold Showground Buildings & Improvements £	Plant, Implements, Furniture & Fixtures £	Motor Vehicles £	Total £
<b>COST</b>					
As at 1 January 2012	208,283	4,659,117	526,912	14,000	5,408,312
Additions	-	155,903	124,639	10,210	290,752
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2012	208,283	4,815,020	651,551	24,210	5,699,064
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>					
As at 1 January 2012	-	2,972,868	410,058	14,000	3,396,926
Charge for the Year	-	216,168	56,777	2,553	275,498
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2012	-	3,189,036	466,835	16,553	3,672,424
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>					
As at 31 December 2012	208,283	1,625,984	184,716	7,657	2,026,640
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2011	208,283	1,686,249	116,854	-	2,011,386
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value at 31 December 2011 represents fixed assets used entirely for charitable purposes

Included within the net book value of £2,026,640 is £nil (2011 £nil) relating to assets under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounts to £nil (2011 £7,000)



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**10. FIXED ASSET INVESTMENTS**

**COMPANY**

The investment held by the Company is a £2 (2011 £2) investment in the subsidiary company at cost (see note 4)

**SUBSIDIARY COMPANY**

The Bath and West Trading Co Limited has a wholly owned subsidiary, Westex Events Limited (Registered Company Number 03039130). The Company is registered in England and its principal activity is the commercial organisation of events but has not traded since its incorporation. The Royal Bath and West of England Society has a 100% indirect interest in the company.

**11. STOCKS**

	<b>Group 2012 £</b>	<b>Group 2011 £</b>	<b>Company 2012 £</b>	<b>Company 2011 £</b>
Consumables	24,217	31,020	24,217	31,020
	<hr/>	<hr/>	<hr/>	<hr/>

**12. DEBTORS**

	<b>Group 2012 £</b>	<b>Group 2011 £</b>	<b>Company 2012 £</b>	<b>Company 2011 £</b>
Trade Debtors	203,689	151,456	137,251	88,434
Amounts Due from Group Undertakings	-	-	67,076	57,593
Other Debtors	10,719	21,696	287	20,805
Prepayments and Accrued Income	57,061	61,541	55,060	59,791
	<hr/>	<hr/>	<hr/>	<hr/>
	271,469	234,693	259,674	226,623
	<hr/>	<hr/>	<hr/>	<hr/>

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**13. CREDITORS: Amounts falling due within one year**

	<b>Group 2012 £</b>	<b>Group 2011 £</b>	<b>Company 2012 £</b>	<b>Company 2011 £</b>
Trade Creditors	95,954	107,171	93,708	106,776
Other Creditors	-	1,050	-	1,050
Other Taxation and Social Security	71,768	14,916	71,768	14,916
Accruals	60,452	70,333	55,126	65,167
Deferred Income (Note 14)	299,472	317,488	266,514	275,709
	<hr/>	<hr/>	<hr/>	<hr/>
	527,646	510,958	487,116	463,618
	<hr/>	<hr/>	<hr/>	<hr/>

**14. DEFERRED INCOME**

	<b>Group 2012 £</b>	<b>Group 2011 £</b>	<b>Company 2012 £</b>	<b>Company 2011 £</b>
Balance Brought Forward	317,488	365,394	275,709	237,847
Trade Stand Income Received	879,732	797,842	879,732	797,842
Released to Statement of Financial Activities	(897,748)	(845,748)	(888,927)	(759,980)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance Carried Forward	299,472	317,488	266,514	275,709
	<hr/>	<hr/>	<hr/>	<hr/>

Deferred income will be applied as follows

	<b>Group 2012 £</b>	<b>Group 2011 £</b>	<b>Company 2012 £</b>	<b>Company 2011 £</b>
Within 1 year	299,472	317,488	266,514	275,709
	<hr/>	<hr/>	<hr/>	<hr/>

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**15. STATEMENT OF FUNDS**

GROUP	As at 1 January 2012 £	Income £	Expenditure £	Transfers £	As at 31 December 2012 £
Unrestricted Funds					
General Funds	1,966,886	2,216,755	(2,946,448)	594,047	1,831,240
Non Charitable Trading Funds	800	1,170,703	(556,656)	(614,047)	800
Designated Funds					
Bath and West Grants	26,881	-	(36,111)	20,000	10,770
Cheese Sales	6,750	4,743	(8,070)	-	3,423
<b>Total Unrestricted Funds</b>	<b>2,001,317</b>	<b>3,392,201</b>	<b>(3,547,285)</b>	<b>-</b>	<b>1,846,233</b>
Restricted Funds					
Edmund Rack Pavilion Heating System	37,624	-	(9,815)	-	27,809
Showering Pavilion Heating System	55,691	(18,032)	(1,883)	-	35,776
The Michael Wheatland Memorial Trust	-	9,354	(1,354)	-	8,000
<b>Total Restricted Funds</b>	<b>93,315</b>	<b>(8,678)</b>	<b>(13,052)</b>	<b>-</b>	<b>71,585</b>
<b>Total Funds</b>	<b>2,094,632</b>	<b>3,383,523</b>	<b>(3,560,337)</b>	<b>-</b>	<b>1,917,818</b>

**Designated Funds****Bath and West Grants**

During the period £20,000 was designated to this fund (2011 £20,000) The fund provides support for projects carried on by third parties which are identified as coming within the Company's charitable objectives

**Cheese Sales**

The funds received from Cheese Sales at the Main Show have been designated by the Dairy Produce Committee for charitable giving during the coming year

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**15. STATEMENT OF FUNDS (CONTINUED)**

**Restricted Funds**

**Edmund Rack Pavilion Heating System and Showering Pavilion Heating System**

Grants were received to assist towards the costs of sustainable energy heating systems in the Edmund Rack Pavilion and the Showerings Pavilion. The balances on these funds represent future depreciation to be written off over the life of the assets.

**The Michael Wheatland Memorial Trust**

A grant was received towards the running of the Farm Safety Zone at the annual Royal Bath and West Show following the winding up of the trust.

**COMPANY**

For the purpose of section 408 of the Companies Act 2006, the net movement of funds for the Company is a deficit of £176,814 (2011 Surplus, £220,066). Total funds brought forward were £2,093,832 (2011 £1,873,766). Total funds carried forward were £1,917,018 (2011 £2,093,832).

**16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Fund balances at 31 December 2012 are represented by				
Tangible Fixed Assets	1,963,055	-	63,585	2,026,640
Other Assets	(131,015)	14,193	8,000	(108,822)
	<hr/>	<hr/>	<hr/>	<hr/>
	1,832,040	14,193	71,585	1,917,818
	<hr/>	<hr/>	<hr/>	<hr/>

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

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**17. FINANCIAL COMMITMENTS**

**Financial**

As at 31 December 2012 the group had £nil authorised and contracted financial commitments (2011 £40,000) to be spent in the year ended 31 December 2013

**Obligations under Non-cancellable Leases**

As at 31 December 2012 the group had annual commitments under non-cancellable leases for land and equipment as follows

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Expiry Date		
Within 1 year	7,000	7,000
2 to 5 years	13,259	12,886
	<hr/>	<hr/>
	20,259	19,886
	<hr/>	<hr/>