

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 2009

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THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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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 2009

COMPANY INFORMATION

Charity Number: 1039397

Company Number: 02931640

Directors:

(FC: Member of Finance Committee)

E W White (FC)
R N F Drewett, DL (FC) - Vice Chairman
N G K Hutchen – Honorary Treasurer (FC)
J Alvis, MBE
R W Ash (FC)
M Felton, MFH
A R Goode (FC)
Miss E Matheson of Matheson, DL
Mrs J Sheldon (Resigned 12 May 2009)
R T Calver (FC)
Lord Cameron of Dillington DL
A Gibson, OBE (Appointed 1 January 2009)
Mrs A C Maw (Appointed 27 April 2009)
Mrs A B Yeoman, OBE DL (Appointed 1
September 2009)

Chief Executive: J Guise, PhD, C Biol , M I Biol , Hon ARCVS

Company Secretary: D H C Batten

Registered Office: The Showground
Shepton Mallet
Somerset
BA4 6QN

Auditor: Old Mill Accountancy LLP
Chartered Accountants and Statutory Auditor
The Old Mill
Park Road
Shepton Mallet
Somerset
BA4 5BS

Bankers: National Westminster Bank Plc
25 High Street
Shepton Mallet
Somerset
BA4 5AF

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

COMPANY INFORMATION (CONTINUED)

Solicitors:

Battens
Mansion House
Princes Street
Yeovil
Somerset
BA20 1EP

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2009

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 2009. The directors' report also represents the trustees' report required by part VI of the Charities Act 1993 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 135 (2008: 128) 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 and 16 February 2006. 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 in 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 meet six times a year. At every AGM 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 2009 (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 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 2009 (CONTINUED)

OBJECTIVES AND ACTIVITIES (CONTINUED)

Activities

The Company continues to play an important role in supporting the rural economy through knowledge transfer to two distinct audiences – businesses deriving their income from rural activities, principally farming, the food chain and diversified industries arising from farming and consumers of products of the countryside. These are the two sectors of the public who benefit from the Company's activities.

2009 was a positive year for the Company, against a backdrop of significant economic uncertainty. All of the knowledge transfer activities depend upon income from trade exhibitors, and the Company's activities are underpinned by essential income from the exhibition industry, gift aided from the subsidiary trading company. Both these sectors have been hit hard in the recession and the Company is fortunate not to have experienced a serious drop in income as a result.

Grassland UK, the triennial event held for those who seek information on grassland management, was highly successful with visitor numbers at an all time high. It also spawned a new event to be held in early 2010 at the request of exhibitors who felt that more could be done for the machinery sector in the South West. Much work was done in 2009 towards creating a new exhibition in response to this need, leading to the new Agricultural Machinery and Equipment Show in February 2010, filling a gap in the market for new technology in agriculture. The delivery of Grassland and the development of the new machinery show both deliver significant benefit to rural business, bringing new technology to the market place and providing an effective route to market for those creating new technologies.

The Royal Bath and West Show was well attended, with over 150,000 visitors flocking to see what the countryside has to offer in terms of products and leisure opportunities. Over 600 volunteers pulled together to ensure that this consumer event remains at the forefront of countryside promotion, when sadly many others are failing in the harsh economic climate. Consumers are invited to learn what is happening in the countryside, the opportunities for healthy eating, sustainable sourcing, leisure activities and the responsible use of the earth's resources are all displayed at this exhibition and the evidence is that there is very enthusiastic uptake. For many years the knowledge gap between farming and the public has been too wide and this event plays an important part in reducing this divide, to the benefit of those who look after the countryside and those who enjoy what it has to offer.

A specialist horticultural event in September was conducted by the Company for the first time, following the dissolution of a trading partnership which used to operate in this sector. The Company now has the opportunity to make this a 'purist' event encouraging horticultural knowledge, which is particularly timely as people are encouraged to grow their own food for reasons of health and food security. We constantly seek ways of strengthening the portfolio of events and the horticultural industry is one which provides access for all regardless of status, so creating this event reaches another section of the public who enjoy the countryside and what it has to offer.

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

OBJECTIVES AND ACTIVITIES (CONTINUED)

Activities (Continued)

The dairy industry was again well-served by the Company's specialist Dairy Show, with much sector information being promulgated both during the show and at the pre-show dinner. A determination not to dilute the highly technical and specific nature of this event has paid dividends as the event grows in stature within the dairy industry. A vibrant dairy industry has benefits for all, particularly as the British preference for fresh product restricts dependence on imports. The public appetite for dairy products is best served by promoting efficiency in the dairy farming sector which this show does to good effect.

All these events and a useful list of technical conferences and seminars on subjects ranging from the influence of climate change on UK agriculture, to how farmers and landowners can take a responsible attitude to succession planning, thereby ensuring that land stays in mainstream production of food, made for a very busy year for the Company and its core business of imparting information into the rural economy.

A responsible attitude to future challenges and the increasingly technological approach employed to deliver the above events led to a considerable reduction in the number of people employed directly by the Company. While this process was difficult for all involved, it does leave the organisation in a fitter state to thrive during very difficult times in the global economy. Staff and volunteers are to be congratulated on their enthusiasm and professionalism in delivering an enhanced portfolio of events, reaching more people yet driving efficiency to reduce the cost of so doing.

FINANCIAL REVIEW

Results for the Year

The unrestricted group net incoming resources for the year were £77,926 (2008 Incoming £100,738). There were restricted group net outgoing resources of £29,015 (2008 Outgoing £61,086).

The Trading Company continues to make a crucial contribution to the Society's finances with a surplus for the year of £412,048 (2008 £381,071). These amounts are included in the group figures above.

The total group net incoming resources for the year amounted to £48,911 (2008 £39,652).

Group net current liabilities decreased from £412,146 at 31 December 2008 to £202,030 at 31 December 2009. There was an on-going investment in the infrastructure of the company with capital expenditure of £164,572 (2008 £115,005).

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

FINANCIAL REVIEW (CONTINUED)**Reserves**

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

	2009 £	2008 £
Total Group Reserves	1,731,825	1,682,914
Less Restricted Funds	(73,254)	(102,269)
Designated Funds	(24,670)	(21,865)
Fixed Assets Used for Charitable Purposes	(1,894,300)	(2,006,675)
	<hr/>	<hr/>
(Deficit) on Free Reserves	(260,399)	(447,895)
	<hr/>	<hr/>

Free Reserves

The directors aim to return the levels of free reserves to a surplus as soon as possible and significant progress has been made to achieve this in the last two years. Ideally the level of free reserves should enable the Society to cancel one main show as a result of the type of external influence which has caused this in the past – but this goal is some way off. At the current rate of progress the figure should move out of deficit in 2010, a welcome improvement in financial performance.

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 10 to the financial statements. The directors estimate that the current market value of the freehold land, based on its agricultural value, is in the region of £1,240,000 compared to its cost included in the financial statements at £208,283.

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 T Calver
A R Goode
N G K Hutchen

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report 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 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 its activities

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and which 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

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 7/04/10, and signed on their behalf by


E W White
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 2009

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 2009 which comprises the consolidated statement of financial activities, the consolidated income and expenditure accounts, the Group and Company balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein 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 Section 495 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

The directors' (who are also its trustees for the purpose of Charity Law) responsibilities are 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) and for being satisfied that the financial statements give a true and fair view. These are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006.

We also report to you whether in our opinion the information given in the annual report of the directors is consistent with the audited financial statements.

In addition we report to you if, in our opinion, the Company has not kept adequate accounting records, if the Company's financial statements are not in agreement with accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the annual report of the directors and consider the implications for our report if we become aware of any apparent misstatements within it.

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 2009 (CONTINUED)

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

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 2009 and of the incoming resources and application of those resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the annual report of the directors is consistent with the financial statements

Old Mill Accountancy LLP

Peter Haugh (Senior Statutory Auditor)
FOR AND ON BEHALF OF OLD MILL ACCOUNTANCY LLP
Chartered Accountants and Statutory Auditor
The Old Mill
Park Road
Shepton Mallet
Somerset
BA4 5BS

8-4-10

Date

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Unrestricted Funds £	Restricted Funds £	2009 £	2008 £
INCOMING RESOURCES					
Incoming Resources from Generated Funds					
Voluntary Income					
Donations		1,395	-	1,395	11,381
Activities for Generating Funds					
Rents		81,322	-	81,322	84,629
Income of the Trading Subsidiary	4	1,061,702	-	1,061,702	1,264,655
Investment Income		-	-	-	580
Incoming Resources from Charitable Activities	3	2,137,684	-	2,137,684	2,118,786
Other Incoming Resources					
Subscriptions		50,629	-	50,629	51,102
Gain on Disposal of Fixed Assets		68,282	-	68,282	12,083
Other Income		20,046	-	20,046	18,529
TOTAL INCOMING RESOURCES		3,421,060	-	3,421,060	3,561,745
RESOURCES EXPENDED					
Cost of Generating Funds					
Expenditure of Trading Subsidiary	4	479,654	-	479,654	723,584
Charitable Activities	3	2,797,606	29,015	2,826,621	2,733,709
Governance Costs	7	65,874	-	65,874	64,800
TOTAL RESOURCES EXPENDED		3,343,134	29,015	3,372,149	3,522,093
NET MOVEMENT IN FUNDS FOR THE YEAR		77,926	(29,015)	48,911	39,652
FUNDS BROUGHT FORWARD		1,580,645	102,269	1,682,914	1,643,262
FUNDS CARRIED FORWARD		1,658,571	73,254	1,731,825	1,682,914

The notes on pages 7 to 21 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 2009

	2009 £	2008 £
Income	3,421,060	3,561,745
Direct Costs	(1,581,755)	(1,937,093)
	<hr/>	<hr/>
Gross Surplus	1,839,305	1,624,652
Overheads		
- Support Costs	(1,724,520)	(1,520,200)
- Governance Costs	(65,874)	(64,800)
	<hr/>	<hr/>
Net Surplus for the Year	48,911	39,652
	<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 7 to 21, 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 7 to 21 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 2009

	Note	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
FIXED ASSETS					
Tangible Assets	10	1,967,554	2,108,944	1,967,554	2,108,944
Investments	11	-	-	2	2
		<hr/>	<hr/>	<hr/>	<hr/>
		1,967,554	2,108,944	1,967,556	2,108,946
CURRENT ASSETS					
Stock	12	36,945	45,272	36,945	45,272
Debtors	13	422,908	150,612	290,779	152,605
Cash at Bank and in Hand		22,965	52,760	387	925
		<hr/>	<hr/>	<hr/>	<hr/>
		482,818	248,644	328,111	198,802
CREDITORS: Amounts Falling Due Within One Year					
	14	(684,848)	(660,790)	(530,943)	(611,750)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT LIABILITIES		(202,030)	(412,146)	(202,832)	(412,948)
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,765,524	1,696,798	1,764,724	1,695,998
CREDITORS: Amounts Falling Due After More Than One Year					
	15	(33,699)	(13,884)	(33,699)	(13,884)
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS		1,731,825	1,682,914	1,731,025	1,682,114
		<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 2009 (CONTINUED)

	Note	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
FUNDS					
Unrestricted Funds					
General Funds	17	1,633,101	1,557,980	1,633,101	1,557,980
Non Charitable Trading Funds	17	800	800	-	-
Designated Funds	17	24,670	21,865	24,670	21,865
		<hr/>	<hr/>	<hr/>	<hr/>
		1,658,571	1,580,645	1,657,771	1,579,845
Restricted Funds					
	17	73,254	102,269	73,254	102,269
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS		1,731,825	1,682,914	1,731,025	1,682,114
		<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 7/04/10, and signed on their behalf by



E W White
Chairman



N G K Hutchen
Honorary Treasurer

Company Number 02931640

The notes on pages 7 to 21 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 2009

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 135 (2008: 128) 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 1993 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.

Life subscriptions are received and credited to the statement of financial activities on a straight line basis over fifteen years. The balance of life subscriptions received and 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 2009 (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.

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

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.

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of financial activities. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

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(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

3. ANALYSIS OF ACTIVITIES

	2009				2008					
	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	1,513	(937)	576	(1,039)	(463)	1,468	(903)	565	(991)	(426)
Other Shows	582	(343)	239	(400)	(161)	612	(444)	168	(275)	(107)
Agricultural Advisory	28	(23)	5	(19)	(14)	22	(19)	3	(16)	(13)
Development Project	15	(15)	-	(14)	(14)	16	(16)	-	(2)	(2)
Education	-	(8)	(8)	-	(8)	-	(5)	(5)	-	(5)
Other Charitable										
Activities	222	-	222	(66)	156	178	-	178	(65)	113
Restricted										
Agricultural Advisory	-	-	-	-	-	1	(33)	(32)	-	(32)
Other Activities	-	-	-	(29)	(29)	-	-	-	(29)	(29)
Total Charitable Activities	2,360	(1,326)	1,034	(1,567)	(533)	2,297	(1,420)	877	(1,378)	(501)
Other Activities										
Trading Subsidiary (Note 4)	1,061	(256)	805	(223)	582	1,265	(517)	748	(207)	541
Total	3,421	(1,582)	1,839	(1,790)	49	3,562	(1,937)	1,625	(1,585)	40

The total Charitable Activities indirect costs shown above of £1,567,000 comprise support and governance costs as per notes 6 and 7

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

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

	2009 £	2008 £
Turnover	1,061,701	1,263,347
Cost of Sales	(256,452)	(516,807)
	<hr/>	<hr/>
Gross Profit	805,249	746,540
Administrative Expenses (excluding rents payable to parent company)	(223,202)	(206,777)
Interest Receivable	1	1,308
	<hr/>	<hr/>
Profit on Ordinary Activities Before Rent	582,048	541,071
Rent Due to the Royal Bath and West of England Society (eliminated on consolidation)	(170,000)	(160,000)
	<hr/>	<hr/>
Profit Donated to Parent Company by Gift Aid	412,048	381,071
	<hr/>	<hr/>
The aggregate of the assets, liabilities and funds were		
Assets	179,842	93,730
Liabilities	(179,040)	(92,928)
	<hr/>	<hr/>
	802	802
	<hr/>	<hr/>

Funds represent 2 ordinary shares of £1 each (2008: 2 ordinary shares of £1 each) and the balance on the profit and loss account of £800 (2008: £800).

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR TO 31 DECEMBER 2009 (CONTINUED)

5. INVESTMENT INCOME

	2009	2008
	£	£
Interest Receivable	-	580
	<hr/>	<hr/>

6. SUPPORT COSTS

	2009	2008
	£	£
Wages and Salaries (see note below)	616,859	525,852
Health Care Costs	13,595	16,684
Rates, Insurance and Power	177,088	147,182
Repairs and Planned Maintenance	181,376	151,652
Postage, Printing and Stationery and Telephone	65,304	57,338
Travel, Transport and Subsistence	39,486	43,933
Training and Health and Safety	13,622	4,434
Depreciation	247,744	246,841
Operating Lease Rentals	17,501	28,975
Hire Purchase Interest	529	518
Loan Interest	2,187	3,615
Bank Interest	2,792	8,457
Bad Debts	2,387	(1,129)
Bank Charges	15,737	14,936
Legal and Professional	21,715	6,210
Computer Consultancy and Software	26,721	23,707
Staff Recruitment	-	5,934
Showground Security	8,276	7,309
Affiliations and Donations	3,749	5,073
Academic Associate	22,225	12,564
Marketing	4,313	600
Development Cost	13,854	1,607
Miscellaneous	4,257	1,131
	<hr/>	<hr/>
	1,501,317	1,313,423
	<hr/>	<hr/>

Note

Due to a change in the number of shows administered by the Society during the year, wages and salaries allocated to direct costs (note 3) fell from £88,121 in 2008 to £3,516 in 2009

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

7. GOVERNANCE COSTS

	2009	2008
	£	£
Wages and Salaries	55,494	54,651
Office Costs	2,965	2,879
Audit	6,885	6,750
Accountancy	530	520
	<u>65,874</u>	<u>64,800</u>

Included within Support Costs are fees payable to the auditor in respect of other services of £250 (2008 £250)

In addition included within the administrative expenses of the trading subsidiary as disclosed in Note 4 are audit fees of £4,770 (2008 £4,675) and other fees of £100 (2008 £100) payable to the auditor

8. STAFF COSTS

	Group	Group	Company	Company
	2009	2008	2009	2008
	£	£	£	£
Wages and Salaries	674,485	665,529	588,263	578,774
Employer's National Insurance	63,952	64,659	57,482	58,176
Pension Costs	33,050	35,030	30,124	31,674
	<u>771,487</u>	<u>765,218</u>	<u>675,869</u>	<u>668,624</u>

In addition to amounts shown in notes 6 and 7 above for wages and salaries are amounts of £95,618 (2008 £96,594) included in The Bath and West Trading Company Limited and £3,516 (2008 £88,121) included in direct costs in note 3

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(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

8. STAFF COSTS (CONTINUED)

The average number of employees was

	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Cost of Generating Funds	3	3	-	-
Charitable Activities	23	26	23	26
Governance Costs	1	1	1	1
	<hr/>	<hr/>	<hr/>	<hr/>
	27	30	24	27
	<hr/>	<hr/>	<hr/>	<hr/>

One member of staff had emoluments, excluding pension contributions, within the band £90,001 - £100,000 (2008 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 £9,180 (2008 £9,065)

No remuneration or expenses were paid to the directors (2008 £Nil)

9. TAXATION STATUS

The Company is exempt from taxation due to its charitable status

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
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FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

10. TANGIBLE FIXED ASSETS

GROUP AND COMPANY

	Freehold Land	Freehold Showground Buildings & Improvements	Plant, Implements, Furniture & Fixtures	Motor Vehicles	Total
	£	£	£	£	£
COST					
As at 31 December 2008	208,283	4,222,481	408,449	16,500	4,855,713
Additions	-	60,223	104,349	-	164,572
Disposals	-	(70,510)	(2,215)	-	(72,725)
As at 31 December 2009	208,283	4,212,194	510,583	16,500	4,947,560
DEPRECIATION					
As at 31 December 2008	-	2,401,338	331,014	14,417	2,746,769
Eliminated on Disposal	-	(14,064)	(443)	-	(14,507)
Charge for the Year	-	192,962	52,699	2,083	247,744
As at 31 December 2009	-	2,580,236	383,270	16,500	2,980,006
NET BOOK VALUE					
As at 31 December 2009	208,283	1,631,958	127,313	-	1,967,554
As at 31 December 2008	208,283	1,821,143	77,435	2,083	2,108,944

The net book value at 31 December 2009 represents fixed assets used entirely for charitable purposes. The Company, over a considerable number of years, acquired assets by way of donations. The directors consider it impractical to obtain reasonable estimates of their original cost and so have not capitalised such items. The items involved are cups and trophies together with paintings and other articles of value which have a combined insurance valuation of £325,162 (2008 £305,325). The Company also has a specialist library which is held at Bath University and is valued in the region of £85,490 (2008 £85,490).

Included within net book value of £1,967,554 is £14,000 (2008 £21,000) relating to assets under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounts to £7,000 (2008 £7,000).

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(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

11. FIXED ASSET INVESTMENTS**COMPANY**

The investment held by the Company is a £2 (2008 £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.

12. STOCKS

	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Consumables	36,945	45,272	36,945	45,272

13. DEBTORS

	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Trade Debtors	352,697	64,242	208,384	40,772
Amounts Due from Group Undertakings	-	-	25,133	42,692
Other Debtors	3,634	3,458	3,634	3,458
Prepayments and Accrued Income	66,577	82,912	53,628	65,683
	422,908	150,612	290,779	152,605

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

14. CREDITORS: Amounts falling due within one year

	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Bank Overdraft (Secured)	88,904	228,019	88,904	228,019
Loan	19,082	-	19,082	-
Trade Creditors	86,796	113,554	85,646	111,605
Other Taxation and Social Security	84,582	42,119	71,247	43,313
Hire Purchase Agreements	4,667	4,667	4,667	4,667
Accruals	61,173	65,867	48,267	53,089
Deferred Income (Note 16)	339,644	206,564	213,130	171,057
	<hr/>	<hr/>	<hr/>	<hr/>
	684,848	660,790	530,943	611,750
	<hr/>	<hr/>	<hr/>	<hr/>

The bank overdraft is secured by a legal charge over the assets of the Company

15. CREDITORS: Amounts falling due after one year

	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Loan	24,537	-	24,537	-
Hire Purchase Agreements	1,555	6,222	1,555	6,222
Deferred Income (Note 16)	7,607	7,662	7,607	7,662
	<hr/>	<hr/>	<hr/>	<hr/>
	33,699	13,884	33,699	13,884
	<hr/>	<hr/>	<hr/>	<hr/>

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

16. DEFERRED INCOME

	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Balance Brought Forward	214,226	313,934	178,719	313,849
Subscriptions and Trade Stands Income Received	911,790	1,055,648	911,790	966,760
Released to Statement of Financial Activities	(778,765)	(1,155,356)	(869,772)	(1,101,890)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance Carried Forward	347,251	214,226	220,737	178,719
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Deferred income will be applied as follows

	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Within 1 year	339,644	206,564	213,130	171,057
Within 2 to 5 years	5,277	5,870	5,277	5,870
After 5 years	2,330	1,792	2,330	1,792
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	347,251	214,226	220,737	178,719
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

17. STATEMENT OF FUNDS

GROUP	As at 1 January 2009 £	Income £	Expenditure £	Transfers £	As at 31 December 2009 £
Unrestricted Funds					
General Funds	1,557,980	2,356,158	(2,853,085)	572,048	1,633,101
Non Charitable Trading Funds	800	1,061,702	(479,654)	(582,048)	800
Designated Funds					
Bath and West Grants	17,515	-	(8,395)	10,000	19,120
Cheese Sales	4,350	3,200	(2,000)	-	5,550
Total Unrestricted Funds	1,580,645	3,421,060	(3,343,134)	-	1,658,571
Restricted Funds					
New Wine Trust	35,200	-	(19,200)	-	16,000
Edmund Rack Pavilion Heating System	67,069	-	(9,815)	-	57,254
Total Restricted Funds	102,269	-	(29,015)	-	73,254
Total Funds	1,682,914	3,421,060	(3,372,149)	-	1,731,825

Designated Funds**Bath and West Grants**

During the period £10,000 was designated to this fund (2008 £3,000) 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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(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

17. STATEMENT OF FUNDS (CONTINUED)

Restricted Funds

New Wine Trust

A grant was received from the New Wine Trust to assist towards the costs of the water and sewage pipeline infrastructure

Edmund Rack Pavilion Heating System

Grants were received from Clear Skies, EDF Energy and Wood Energy to assist towards the costs of a sustainable energy heating system in the Edmund Rack Pavilion

COMPANY

For the purpose of section 408 of the Companies Act 2006, the net movement of funds for the Company is a surplus of £48,911 (2008 Surplus, £39,652) Total funds brought forward were £1,682,114 (2008 £1,642,462) Total funds carried forward were £1,731,025 (2008 £1,682,114)

18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Fund balances at 31 December 2009 are represented by				
Tangible Fixed Assets	1,894,300	-	73,254	1,967,554
Other (Liabilities)/Assets	(260,399)	24,670	-	(235,729)
	<hr/>	<hr/>	<hr/>	<hr/>
	1,633,901	24,670	73,254	1,731,825
	<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

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

19 FINANCIAL COMMITMENTS

Financial

As at 31 December 2009 the group had £14,749 authorised and contracted financial commitments (2008 £Nil) to be spent in the year ended 31 December 2010

Obligations under Non-cancellable Leases

As at 31 December 2009 the group had annual commitments under non-cancellable leases for equipment as follows

	2009	2008
	£	£
Expiry Date		
Within 1 year	3,825	5,163
2 to 5 years	16,159	15,532
	<hr/>	<hr/>
	19,984	20,695
	<hr/>	<hr/>