

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 2010

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THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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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 2010

COMPANY INFORMATION

Charity Number: 1039397

Company Number: 02931640

Directors:

(FC: Member of Finance Committee)

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

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 Audit 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)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010. 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 133 (2009 135) 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 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 2010 (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 2010 (CONTINUED)

OBJECTIVES AND ACTIVITIES (CONTINUED)

Activities

Our 2010 performance in delivering support to rural business was aided by an improved financial performance, enabling the Society to be less driven by low, or absent margins of surplus and more by considering the needs of our target audience

The first Agricultural Machinery and Equipment Show went ahead after months of planning and design. It was well-received by the 2000 or more farmers who attended, a welcome addition to our portfolio of events, and possibly the first West Country event to cater for the needs of the arable sector. Trade for the exhibitors was excellent, with several reports of new technology being sold – and therefore being taken up on farms. The event was free for visitors, each of which would therefore have been heavily subsidised by the Society to attend. Its widespread welcome reception, particularly in the technical press, has encouraged the executive to aim at making this an annual event. In the first instance it will be held again in 2011, to judge whether it shows signs of increasing popularity and hence if it deserves the Society's enduring support.

The Royal Bath and West Show was also a tremendous success in terms of visitor numbers, competitors and exhibitors. A key theme, initiated by the President HRH the Countess of Wessex, was to shorten the supply chain by bringing producers and retailers closer together. A series of events were held with three of the leading retailers, together with their suppliers where frank exchanges could take place, leading to a greater understanding of the commercial challenges of the whole food chain.

Our horticultural event, in its second year under the Society's auspices proved economically challenging, but its technical content was very well received. Our commitment to this discipline is undimmed, but our ambition is to grow it and attract a wider audience. To this end early conversations have taken place with the Royal Horticultural Society with a view to joining forces with them to encourage their membership of nearly 200,000 serious gardeners to appreciate the Society's efforts to promote their subject.

The specialist Dairy Show celebrated its 30th anniversary by going global – a panel of international judges were invited, and there were even competition animals brought from outside the UK. The technical focus was the high profile debate on the relative merits of pure breeds versus hybrid vigour with some enlightening information on the economics of moving away from extreme dairy breeds which have been so popular in recent times.

Our conference programme was spear-headed by showcasing the opportunities for farmers in renewable energy, as the government offer of a very lucrative scheme to encourage non-fossil fuel energy production came on stream. Tight time frames meant that farmers had to understand the system very quickly to take advantage of what was on offer, so the Society was ideally placed to digest the complexities of the scheme and present it in an easily assimilable form for landowners to adopt.

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

FINANCIAL REVIEW

Results for the Year

The unrestricted group net incoming resources for the year were £168,556 (2009 Incoming £77,926) There were restricted group net outgoing resources of £25,815 (2009 Outgoing £29,015)

The Trading Company continues to make a crucial contribution to the Society's finances with a surplus for the year of £450,017 (2009 £412,048) The results of the Trading Company after rent payable to the Society of £180,000 (2009 £170,000) are included in the group figures above

The total group net incoming resources for the year amounted to £142,741 (2009 £48,911)

Group net current liabilities moved from £202,030 at 31 December 2009 to net current assets of £15,498 at 31 December 2010 There was an on-going investment in the infrastructure of the company with capital expenditure of £135,782 (2009 £164,572)

Reserves

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

	2010 £	2009 £
Total Group Reserves	1,874,566	1,731,825
Less Restricted Funds	(47,439)	(73,254)
Designated Funds	(37,880)	(24,670)
Fixed Assets Used for Charitable Purposes	(1,811,629)	(1,894,300)
	<hr/>	<hr/>
(Deficit) on Free Reserves	(22,382)	(260,399)
	<hr/>	<hr/>

A long held ambition has been to eradicate our deficit on free reserves, the result of disastrous events in 2007 Although a very small amount remains under this heading we are much encouraged by progress towards the goal, the result of careful financial probity and popular events

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 The directors estimate that the current market value of the freehold land, based on its agricultural value, is in the region of £1,400,000 compared to its cost included in the financial statements at £208,283

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors 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 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

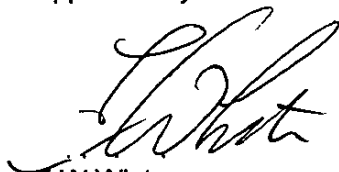
This report has been prepared in accordance with the special provisions for small companies under part 15 of Companies Act 2006

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

AUDITORS

Our auditors, Old Mill Accountancy LLP have transferred their audit business to Old Mill Audit LLP who, accordingly, have acted as auditors to the company in their place

Approved by the directors on 22 3 11 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 2010

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 2010 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 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 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

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 as 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 disclosures of directors' remuneration specified by law are not made.

We read the other information contained in the Annual Report of the Directors and consider whether it is consistent with the audited financial statements.

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 2010 (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 2010 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 Audit LLP

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

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Date

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Unrestricted Funds £	Restricted Funds £	2010 £	2009 £
INCOMING RESOURCES					
Incoming Resources from Generated Funds					
Voluntary Income					
Donations		3,996	-	3,996	1,395
Activities for Generating Funds					
Rents		84,924	-	84,924	81,322
Trading Subsidiary Income	4	1,079,172	-	1,079,172	1,061,702
Incoming Resources from Charitable Activities	3	1,917,539	-	1,917,539	2,137,684
Other Incoming Resources					
Subscriptions		61,516	-	61,516	50,629
Gain on Disposal of Fixed Assets		3,250	-	3,250	68,282
Other Income		11,331	-	11,331	20,046
TOTAL INCOMING RESOURCES		3,161,728	-	3,161,728	3,421,060
RESOURCES EXPENDED					
Cost of Generating Funds					
Trading Subsidiary Expenditure	4	449,155	-	449,155	479,654
Charitable Activities	3,16	2,475,147	25,815	2,500,962	2,826,621
Governance Costs	6	68,870	-	68,870	65,874
TOTAL RESOURCES EXPENDED		2,993,172	25,815	3,018,987	3,372,149
NET MOVEMENT IN FUNDS FOR THE YEAR		168,556	(25,815)	142,741	48,911
FUNDS BROUGHT FORWARD		1,658,571	73,254	1,731,825	1,682,914
FUNDS CARRIED FORWARD		1,827,127	47,439	1,874,566	1,731,825

The notes on pages 7 to 20 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 2010

	2010 £	2009 £
Income	3,161,728	3,421,060
Direct Costs	(1,417,513)	(1,581,755)
	<hr/>	<hr/>
Gross Surplus	1,744,215	1,839,305
Overheads		
- Support Costs	(1,532,604)	(1,724,520)
- Governance Costs	(68,870)	(65,874)
	<hr/>	<hr/>
Net Surplus for the Year	142,741	48,911
	<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 20, 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 20 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 2010

	Note	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
FIXED ASSETS					
Tangible Assets	9	1,859,068	1,967,554	1,859,068	1,967,554
Investments	10	-	-	2	2
		<u>1,859,068</u>	<u>1,967,554</u>	<u>1,859,070</u>	<u>1,967,556</u>
CURRENT ASSETS					
Stock	11	28,309	36,945	28,309	36,945
Debtors	12	268,520	422,908	164,171	290,779
Cash at Bank and in Hand		297,610	22,965	249,788	387
		<u>594,439</u>	<u>482,818</u>	<u>442,268</u>	<u>328,111</u>
CREDITORS: Amounts Falling Due Within One Year	13	(578,941)	(684,848)	(427,572)	(530,943)
NET CURRENT ASSETS/(LIABILITIES)		<u>15,498</u>	<u>(202,030)</u>	<u>14,696</u>	<u>(202,832)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,874,566</u>	<u>1,765,524</u>	<u>1,873,766</u>	<u>1,764,724</u>
CREDITORS: Amounts Falling Due After More Than One Year	14	-	(33,699)	-	(33,699)
NET ASSETS		<u>1,874,566</u>	<u>1,731,825</u>	<u>1,873,766</u>	<u>1,731,025</u>

THE ROYAL BATH AND WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED AND COMPANY BALANCE SHEETS
AS AT 31 DECEMBER 2010 (CONTINUED)

	Note	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
FUNDS					
Unrestricted Funds					
General Funds	16	1,788,447	1,633,101	1,788,447	1,633,101
Non Charitable Trading Funds	16	800	800	-	-
Designated Funds	16	37,880	24,670	37,880	24,670
		<hr/>	<hr/>	<hr/>	<hr/>
		1,827,127	1,658,571	1,826,327	1,657,771
Restricted Funds					
	16	47,439	73,254	47,439	73,254
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS		1,874,566	1,731,825	1,873,766	1,731,025
		<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 22 3 11 and signed on their behalf by


E W White
Chairman


N G K Hutchen
Honorary Treasurer

Company Registration Number 02931640

The notes on pages 7 to 20 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 2010

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 133 (2009: 135) 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.

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 2010 (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 2010 (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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

3. ANALYSIS OF ACTIVITIES

	2010					2009				
	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	1,521	(929)	592	(1,022)	(430)	1,513	(937)	576	(1,039)	(463)
Other Shows	377	(248)	129	(253)	(124)	582	(343)	239	(400)	(161)
Agricultural Advisory	4	(3)	1	(3)	(2)	28	(23)	5	(19)	(14)
Development Project	-	-	-	(3)	(3)	15	(15)	-	(14)	(14)
Education	16	(14)	2	-	2	-	(8)	(8)	-	(8)
Other Charitable Activities	165	-	165	(69)	96	222	-	222	(66)	156
Other Activities	-	-	-	(26)	(26)	-	-	-	(29)	(29)
Total Charitable Activities	2,083	(1,194)	889	(1,376)	(487)	2,360	(1,326)	1,034	(1,567)	(533)
Other Activities										
Trading Subsidiary (Note 4)	1,079	(224)	855	(225)	630	1,061	(256)	805	(223)	582
Total	3,162	(1,418)	1,744	(1,601)	143	3,421	(1,582)	1,839	(1,790)	49

The total Charitable Activities indirect costs shown above of £1,376,000 (2009 £1,567,000) 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

	2010 £	2009 £
Turnover	1,079,172	1,061,701
Cost of Sales	(223,718)	(256,452)
	<u> </u>	<u> </u>
Gross Profit	855,454	805,249
Administrative Expenses (excluding rents payable to parent company)	(225,437)	(223,202)
Interest Receivable	-	1
	<u> </u>	<u> </u>
Profit on Ordinary Activities Before Rent	630,017	582,048
Rent Due to the Royal Bath and West of England Society (eliminated on consolidation)	(180,000)	(170,000)
	<u> </u>	<u> </u>
Profit Donated to Parent Company by Gift Aid	450,017	412,048
	<u> </u>	<u> </u>
The aggregate of the assets, liabilities and funds were		
Assets	208,769	179,842
Liabilities	(207,967)	(179,040)
	<u> </u>	<u> </u>
	802	802
	<u> </u>	<u> </u>

Funds represent 2 ordinary shares of £1 each (2009 2 ordinary shares of £1 each) and the balance on the profit and loss account of £800 (2009 £800)

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5. SUPPORT COSTS	2010	2009
	£	£
Wages and Salaries	473,163	616,859
Health Care Costs	10,254	13,595
Rates, Insurance and Power	155,615	177,088
Repairs and Planned Maintenance	177,440	181,376
Postage, Printing and Stationery and Telephone	54,618	65,304
Travel, Transport and Subsistence	36,938	39,486
Training and Health and Safety	18,233	13,622
Depreciation	244,268	247,744
Operating Lease Rentals	23,702	17,501
Hire Purchase Interest	529	529
Loan Interest	1,634	2,187
Bank Interest	1,063	2,792
Bad Debts	(399)	2,387
Bank Charges	13,839	15,737
Legal and Professional	6,151	6,276
Consultancy and Accreditation	28,908	15,439
Computer Consultancy and Software	22,751	26,721
Staff Recruitment	3,366	-
Showground Security	9,034	8,276
Affiliations and Donations	3,654	3,749
Academic Associate	8,027	22,225
Marketing	6,756	4,313
Development Cost	3,269	13,854
Miscellaneous	4,354	4,257
	<hr/>	<hr/>
	1,307,167	1,501,317
	<hr/>	<hr/>
6. GOVERNANCE COSTS	2010	2009
	£	£
Wages and Salaries	58,196	55,494
Office Costs	3,054	2,965
Audit	7,620	7,415
	<hr/>	<hr/>
	68,870	65,874
	<hr/>	<hr/>

Included within Support Costs are fees payable to the auditor in respect of other services of £390 (2009 £250)

In addition included within the administrative expenses of the trading subsidiary as disclosed in Note 4 are audit fees of £4,910 (2009 £4,770) and other fees of £105 (2009 £100) payable to the auditor

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7. STAFF COSTS

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Wages and Salaries	541,878	674,485	460,878	588,263
Employer's National Insurance	54,755	63,952	46,755	57,482
Pension Costs	34,148	33,050	32,197	30,124
	<hr/> 630,781	<hr/> 771,487	<hr/> 539,830	<hr/> 675,869

In addition to amounts shown in notes 5 and 6 above for wages and salaries are amounts of £90,950 (2009 £95,618) included in The Bath and West Trading Company Limited and £8,472 (2009 £3,516) included in direct costs in note 3

The average number of employees was

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Cost of Generating Funds	3	3	-	-
Charitable Activities	17	23	17	23
Governance Costs	1	1	1	1
	<hr/> 21	<hr/> 27	<hr/> 18	<hr/> 24

One member of staff had emoluments, excluding pension contributions, within the band £90,001 - £100,000 (2009 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 £15,480 (2009 £9,180)

No remuneration was paid to the directors (2009 £Nil)

Two directors (2009 none) were paid in total £185 (2009 £Nil) for reimbursed travel expenses incurred on Company business

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	Freehold Showground Buildings & Improvements	Plant, Implements, Furniture & Fixtures	Motor Vehicles	Total
	£	£	£	£	£
COST					
As at 31 December 2009	208,283	4,212,194	510,583	16,500	4,947,560
Additions	-	79,478	56,304	-	135,782
Disposals	-	-	(63,103)	-	(63,103)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2010	208,283	4,291,672	503,784	16,500	5,020,239
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
As at 31 December 2009	-	2,580,236	383,270	16,500	2,980,006
Eliminated on Disposal	-	-	(63,103)	-	(63,103)
Charge for the Year	-	188,861	55,407	-	244,268
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2010	-	2,769,097	375,574	16,500	3,161,171
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
As at 31 December 2010	208,283	1,522,575	128,210	-	1,859,068
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2009	208,283	1,631,958	127,313	-	1,967,554
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value at 31 December 2010 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 £406,453 (2009 £325,162). The Company also has a specialist library which is held at Bath University and is valued in the region of £85,490 (2009 £85,490).

Included within net book value of £1,859,068 is £7,000 (2009 £14,000) 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 (2009 £7,000).

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10. FIXED ASSET INVESTMENTS**COMPANY**

The investment held by the Company is a £2 (2009 £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

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Consumables	28,309	36,945	28,309	36,945
	<hr/>	<hr/>	<hr/>	<hr/>

12. DEBTORS

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Trade Debtors	207,515	352,697	52,971	208,384
Amounts Due from Group Undertakings	-	-	56,595	25,133
Other Debtors	27	3,634	27	3,634
Prepayments and Accrued Income	60,978	66,577	54,578	53,628
	<hr/>	<hr/>	<hr/>	<hr/>
	268,520	422,908	164,171	290,779
	<hr/>	<hr/>	<hr/>	<hr/>

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13. CREDITORS: Amounts falling due within one year

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Bank Overdraft (Secured)	-	88,904	-	88,904
Loan	-	19,082	-	19,082
Trade Creditors	76,651	86,796	76,437	85,646
Other Taxation and Social Security	93,010	84,582	74,418	71,247
Hire Purchase Agreements	1,556	4,667	1,556	4,667
Accruals	42,330	61,173	37,314	48,267
Deferred Income (Note 15)	365,394	339,644	237,847	213,130
	<hr/> 578,941	<hr/> 684,848	<hr/> 427,572	<hr/> 530,943

The bank overdraft is secured by a legal charge over two of the Company's properties on the edge of the Showground

14. CREDITORS: Amounts falling due after one year

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Loan	-	24,537	-	24,537
Hire Purchase Agreements	-	1,555	-	1,555
Deferred Income (Note 15)	-	7,607	-	7,607
	<hr/> -	<hr/> 33,699	<hr/> -	<hr/> 33,699

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FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

15. DEFERRED INCOME

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Balance Brought Forward	347,251	214,226	220,737	178,719
Subscriptions and Trade Stands Income Received	767,521	911,790	767,521	911,790
Released to Statement of Financial Activities	(749,378)	(778,765)	(750,411)	(869,772)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance Carried Forward	365,394	347,251	237,847	220,737
	<hr/>	<hr/>	<hr/>	<hr/>

Deferred income will be applied as follows

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Within 1 year	365,394	339,644	237,847	213,130
Within 2 to 5 years	-	5,277	-	5,277
After 5 years	-	2,330	-	2,330
	<hr/>	<hr/>	<hr/>	<hr/>
	365,394	347,251	237,847	220,737
	<hr/>	<hr/>	<hr/>	<hr/>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

16. STATEMENT OF FUNDS

GROUP	As at 1 January 2010 £	Income £	Expenditure £	Transfers £	As at 31 December 2010 £
Unrestricted Funds					
General Funds	1,633,101	2,062,458	(2,527,129)	620,017	1,788,447
Non Charitable Trading Funds	800	1,079,172	(449,155)	(630,017)	800
Designated Funds					
Bath and West Grants	19,120	16,598	(14,138)	10,000	31,580
Cheese Sales	5,550	3,500	(2,750)	-	6,300
Total Unrestricted Funds	1,658,571	3,161,728	(2,993,172)	-	1,827,127
Restricted Funds					
New Wine Trust	16,000	-	(16,000)	-	-
Edmund Rack Pavilion Heating System	57,254	-	(9,815)	-	47,439
Total Restricted Funds	73,254	-	(25,815)	-	47,439
Total Funds	1,731,825	3,161,728	(3,018,987)	-	1,874,566

Designated Funds**Bath and West Grants**

During the period £10,000 was designated to this fund (2009 £10,000). 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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16. 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 £142,741 (2009 Surplus, £48,911) Total funds brought forward were £1,731,025 (2009 £1,682,114) Total funds carried forward were £1,873,766 (2009 £1,731,025)

17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Fund balances at 31 December 2010 are represented by				
Tangible Fixed Assets	1,811,629	-	47,439	1,859,068
Other (Liabilities)/Assets	(22,382)	37,880	-	15,498
	<hr/>	<hr/>	<hr/>	<hr/>
	1,789,247	37,880	47,439	1,874,566
	<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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18. FINANCIAL COMMITMENTS

Financial

As at 31 December 2010 the group had £Nil authorised and contracted financial commitments (2009 £14,749) to be spent in the year ended 31 December 2011

Obligations under Non-cancellable Leases

As at 31 December 2010 the group had annual commitments under non-cancellable leases for equipment as follows

	2010	2009
	£	£
Expiry Date		
Within 1 year	9,574	3,825
2 to 5 years	8,846	16,159
	<hr/>	<hr/>
	18,420	19,984
	<hr/>	<hr/>