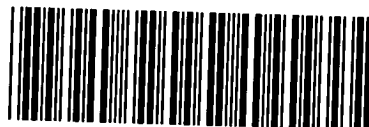


COMPANY NUMBER 02931640
CHARITY NUMBER 1039397

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

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016

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THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016

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

The directors submit their report and audited financial statements for the year ended 31 December 2016. The directors' report also represents the trustees' report required by Part 8 of the Charities Act 2011.

OBJECTIVES AND ACTIVITIES

OBJECTIVES

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

ACTIVITIES

The Society's activities run through 3 companies as follows:-

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

The business model is quite simple; the net trading surpluses from our Shows and other Showground activity should maintain the Society's estate and invest in projects that deliver the charitable objectives – the encouragement of agriculture, manufacture, commerce and rural crafts through education and knowledge transfer. Where funds are realised by selling land for commercial development they will provide investment to improve the infrastructure and building stock on the Showground.

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. In particular, the directors consider how planned activities will contribute to the aims and objectives they have set.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

The Society

2016 has been a very successful year for the Society by exceeding financial expectations and continuing to rebuild the reputation of such a prestigious brand locally, nationally and globally.

National influence within the Show industry is leveraged through the Society's secretary being the secretary of the Association of Show and Agricultural Organisations (ASAO), the Society's chief executive taking a leading role within the Society of Chief Executives (SOCES) of leading multi-day Royal Shows and larger Showgrounds, and the Society's Chairman being a Trustee of Innovation for Agriculture (IfA) with the Society being a founder member of this multi-Society organisation.

Internationally, the Society continues to be a member of the Royal Agricultural Society of the Commonwealth (RASC) with the biennial commonwealth conference being held in November 2016 in Singapore where the Society was represented by a past Chairman (who is a Trustee of the RASC), the Chief Executive and 5 members of the Next Generation group – 3 of whom were funded by the Society. Additionally, the Society has reopened its relationship with its European counterparts by re-joining the European Federation of Agricultural Exhibition and Show Organisers (EURASCO), an organisation set up and managed by previous Chief Executives of the Society.

The delivery of the Society's four year business plan - "Building for a Sustainable Future" has been at the core of the 2016 activities, although with greater clarity of purpose more time has been made to assess the Society's charitable impact; not just directly through grant giving or by the educational and learning impact of our Shows, but also indirectly recognising the opportunities presented to organisations as a result of the Society's work.

The Society continues to have three elements to its activities, each contributing to the charitable objectives; organising its own Shows, other commercial activity on the Showground and the opportunities brought about by the Development Agreement. What has been improved this year is the assessment of impact of the Society's charitable objectives and the activities undertaken to deliver them, which will be articulated in this report. It is important to recognise that our charitable objectives are delivered primarily through education and knowledge transfer at both a business to business level within the agricultural sector through peer-to-peer engagement, and at a business to consumer level using the Society's unique position in bringing the producer and consumer closer together so that the consumer can learn about agriculture and where their food has come from.

The Trustees, subsidiary Company Directors, 23 staff and our wonderful throng of some 500 volunteers drive the success of the Society using the following core values as our basis for doing business:- Honesty & Integrity; Loyalty & Pride; Excellence & Pride; Creativity & Innovation.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS (CONTINUED)

We achieve together by staying focussed on the following mantras:-

- valuing and respecting our volunteers;
- maintaining our "Royal" status
- doing what we do best even better;
- staying focussed on the business plan entitled "Building for a Sustainable Future";
- putting the expectations of our customers first;
- being robust on how we do business particularly cost management;
- considering where the income will come from to justify expenditure;
- recruiting the correct skills and experience to deliver our aspirations.

Membership of the Society has stayed flat for 2016 with just under 1,400 (including Honorary members) bringing in receipts of £42k. While numbers have improved since 2014 the new business plan targets 2,000 members by the end of 2019 that should yield income of nearly £100k. This looks ambitious but will be achieved by a major overhaul of the Membership "offer" during 2017 and a relaunch in time for the 2018 renewals.

On 6 January 2017 a new subsidiary, Bath and West Estates Management Company Limited, was incorporated with 100% of the share capital (being £1 ordinary shares) held by The Royal Bath and West of England Society. This company has been set up to manage the common areas of the Showground development and will be included within the consolidated financial statements of future periods.

Direct Charitable Activity

Following the formation of the Charity Committee in 2015, (that consolidated the previous good work of the Conference Committee and Grant Committee) this year has seen its work evolve as it supports the directors of the Society in delivering its charitable objectives thus: -

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

The following activities have been achieved under these themes: -

- Education of Young People (under 25 yrs old)
 - 8 x young people supported to study agriculture (£4,500)
 - Hosted Field to Food Education Day for 1,000 KS2 children (£8,261)
- Industry Knowledge Transfer and Innovation
 - Innovation for Agriculture (IfA) – the Society has taken a leading role in this national project being a founding Society member with our Chairman being a Trustee on the IfA Board
 - Hosted 2 x Innovation for Agriculture (IfA) events at the Showground
 - Hosted Maize Grower Charter introductory event

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS (CONTINUED)

- Support for the English Shearing Team (£815)
- Awards and Scholarships
 - Award 2 x RASC Conference scholarships (£2,000)
 - Award 1 x Art scholarship (£2,000)
 - Contribution to the West Country Dairy Awards (£1,000)
 - Contribution to the Evercreech Parish defibrillator (£200)
 - Continue to organise the Prince of Wales Award
 - Continue to organise the Long Service Awards
- Environmental Projects
 - Continue to organise the Environmental Youth Awards
 - The Hills to Levels project funded by the players of Peoples Postcode Lottery. Working in partnership with the Farm Wildlife Advisory Group (FWAG), Somerset Wildlife Trust and the RSPB (as our delivery partners) the Society has been managing the £750k Hills to Levels Project funded by the players of the Peoples Postcode Lottery. The project is due to conclude in 2017, but the outputs to end of 2016 are as follows:
 - Farmer visits: 669
 - Grants awarded: 55
 - Grants awarded: £165,000
- Library & Archives Committee act as custodians of the Society's archives

The Shows

The Royal Bath & West Show continues to be the pinnacle of the Society's year. Just under 10k competitive entries admired by over 130k visitors who also appreciated, and supported, continued innovation and development of the Show such as:-

- Competitive livestock competitions for all four days of the Show.
- Relocation of the food hall to new high quality surroundings at the centre of the Show on the old Village Green.
- Greater emphasis on the consumption of more local food and drink produce.
- The new Big Top on the old Village Green provided street theatre and greater entertainment to enjoy while partaking of the new food offering.
- The WI found a new home with an enhanced Floral Art marquee
- The School and Church found a new home on the Main Lawn and Bandstand.

Stiff financial targets were achieved for the Show by controlling expenditure and increasing revenues by over £100k. The 2015 gross margin of £495k was taken up to £643k, which was an excellent result. We won't be resting on our laurels however, as the Trustees recognise that there is still room to grow the Show and with it the returns for the Society. The gross margin target for 2017 is £704k which will be realised by increased ticket sales, sponsorship and more trade stands.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS (CONTINUED)

Charitable impact of the Show includes:-

- "Farming for the Family" is based at the heart of the Show and is there to educate the public on agriculture and food production.
- "Imagineering" introduces mainly teenagers and other youngsters to careers in engineering and manufacturing. This section counts over 25k visitors into the marquee.
- "Bath & West Food & Drink" introduces the public to small artisan food and drink producers (manufacturers) and helps educate them on food quality and provenance.
- "Woodland and Countryside Conservation" educates the public in a range of rural crafts such as timber management, hedge-laying and wrought ironwork.
- "Bees & Honey" not only provides competitive classes (300 entries) for the improvement of beekeepers, but educates the public of the value of bees and honey and gives demonstrations of live beekeeping, making of the honey and tasting sessions. The section also provides a market for small honey producers.
- "Orchards & Cider" educates the public of the skills of cidermaking and through the hosting of the British Cider Championships (600 entries) strives to continually improve the quality and diversity of one of Somerset's key industries.
- "Sheep Shearing" provides wool education sessions led by one of our volunteers and the competitive classes includes not just international qualifiers, but young person's shearing classes to maintain the status of this vital rural skill. All competitions are backed up by informative and educational commentary.
- "Horse Shoeing" provides competitive shoeing on all four days of the show as well as shoe making demonstrations. Like the shearers, classes are put on for apprentices to keep this rural skill contemporary.
- "The British Cheese Awards" (900 entries) showcases the best of the cheese industries in the heart of the cheese-making area of England. The cheeses are presented in such a way as to educate the public not just on the skill of the cheesemaker, but help to make the link between the dairy farmer and their truckle of cheese in the shop.
- "Horse" section (1,900 entries) provides many young competitors the opportunity to measure themselves against some of the very best in the country and for the watching public to recognise good horsemanship and to marvel at the skill and teamwork of horse and rider/handler.
- "Livestock" section (1,800 entries) is the most popular single section that our visitors enjoy. The public want to be educated in the different breeds and their purpose in the food chain, to enjoy the parade of stock and to appreciate the skills of the handlers. This gives the producer the unique opportunity to speak to their consumer to explain the challenges of meat and milk production and create a better understanding between them.
- "The Safety Zone" whose primary role is education of the public about safety on the farm and in rural areas. This is backed up by a safety poster competition for children attracting some 2,700 entries.
- Many other sections, such as Horticulture and Vintage Vehicles, have education and information at the heart of its purpose.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS (CONTINUED)

The Show has an indirect charitable impact on a range of organisations who, by working with or for the Society during the Show manage to raise both profile and funds to support them. Such examples are:-

- Emergency Services and the Armed Forces – by having a presence at the Show they are able to promote their service and careers for young people.
- Rotary – by providing the "Meet & Greet" service, the Rotary has a free pitch at the Show to promote their charitable work.
- Girl Guides – by providing a pedestrian courier service, the Guides have a free camping site pitch for over 50 girls to experience camping, team work and providing a vital service.
- Street Theatre Group – by providing the Show with the "Showmakers" service, the group have a small stand at the Show and have space in the winter to build their stage sets for shows, free of charge.
- Castle Cary Rugby Club – by providing volunteers to support the Show with manual tasks, the Show makes a donation to their Club.
- Carnival Club – by providing volunteers to support the Show in the livestock section, litter picking and sign erecting, the Show makes a donation to their Club.

The Dairy Show has developed into the largest such dairy show in the UK attracting exhibitors from across the country. The one-day show is attended by over 6,000 farmers, growers and industry leaders and we were delighted to achieve a gross margin of £175k (2015: £178k).

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

- Milking robotics
- Feeding robotics
- Automatic yard cleaning technologies
- Drone-driven camera cattle husbandry tools
- Diet, feed and nutrition regimes
- Dairy Cow health including feet and dry-cow therapies
- Crop management
- Young stock management
- Genetics

Grassland UK is our triennial Show and was most recently held in 2015 with the next Show in 2018.

Enterprise Activity

Commercial activity on the Showground continues to provide over £1m gross margin including catering income of £255k which remains an important income stream. This strand of the activities is the responsibility of Bath & West Enterprises Limited.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS (CONTINUED)

The Society appointed a Marketing & Communications Manager to raise the profile of the venue and to encourage a more diverse letting base particularly for mid-week activity. This is starting to see traction with 6 new clients in 2016/17 and more enquiries for some music events in 2018.

Gaining new clients is essential for the future prosperity of the Society and its subsidiary companies as it has become too dependent on revenues from key clients (the Religious Conferences, NASS and the Antiques Fairs) yielding over 50% of the total rental income.

The range of events, over and above those mentioned above, includes: specialist collectable events, a Christmas Shopping Show (that was ran in collaboration with the event organiser), the SW Game Fair, the SW Vintage Tractor Show, motorhome & camping shows, home building & improvement show, regular flea market, car & motorbike shows, classic car auctions, wedding fairs and a range of mid-week business meetings – a market that is growing again following the recession.

The loss of 'Soul Survivor' from 2017 amplifies the need for greater diversification of events and clients. New events have been booked for 2017, but the business will have to work hard to completely back-fill this loss of income, and will explore more imaginative and flexible renting arrangements that may well include more joint-ventures or collaborations.

Showground Enhancements

The four-year maintenance and refurbishment plan has seen continual improvement in 2016 as the Society accelerates the refurbishment and improvement of its facilities so that they meet the expectations of our clients and visitors. This investment has been funded by continued strong financial performance and the land and property disposals in 2015.

In 2016 the Society spent £283k on a range of improvements including:-

- Start of a comprehensive toilet block refurbishment programme
- Re-roofing of the restaurant building
- New trackway and drainage works in the Green Car Park
- Refurbishment of Grandstand Office units to house the Society Office staff
- Internal refurbishment of Exmoor Hall 1 and Exmoor Hall 2

The 2017 plan includes further investment budgeted to be £370k:-

- Continued toilet block refurbishment
- Water and sewer infrastructure improvements
- External cladding of Mendip & Sedgemoor Halls
- Electric heating system for Mendip & Sedgemoor Halls
- Draining Red Car Park
- Re-roofing of the Forge building

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS (CONTINUED)

Charitable impact of events on the Showground.

The activities held on the showground make a major contribution to the health and well-being of the 800,000 visitors and, therefore, the charitable objectives of the Society.

The Christmas Shopping Show, the South West Tractor Rally and the South West Game Fair are both close to our roots with the shopping show showcasing a number of our smaller artisan food producers and the game fair promoting a variety of rural crafts and past-times.

Those who come from urban conurbations to camp either for religious rallies or sports weekends get to experience staying in the countryside and, for a short while, enjoy the rural idyll we take for granted. Young people who use our showground for music events or adventure sports, we have a venue where they can benefit from fresh air, the company of other like-minded people and for some, the chance to stay away from home for the first time.

Regeneration and Development

Progress with the Society's regeneration and development aspirations have been slow in 2016 which has hindered the potential for the Society to invest in capital projects to directly contribute to our charitable objectives.

During 2016, as set out in the business plan, the concept of an Agri-Tech & Food Innovation & Training Centre was taken forward. The plan to refurbish offices in the Grandstand to allow the relocation of the Society Office personnel occurred in November 2016.

This paves the way for the conversion of the old offices into the Innovation Centre during 2017. Planning permission has been approved and the contract for conversion has gone out to tender. We have had success with a grant of £42k, but have been unsuccessful with an application for £400k which has slowed the project as the directors will not over-invest from reserves without a robust business model, which at the end of 2016 had not been achieved.

The Society is keen to bring this project to fruition as it will place the Society, as a charity, back at the heart of agricultural innovation in the area, as it was in 1777 when it was created.

In September 2016 we were delighted that the Mendip School opened its doors on a 5-acre site at the north of the Showground. This first investment came with the added benefit to the Society of a new entrance, highway improvements to the new entrance, a new surface water swale drainage system and a new gas supply to the east of the site.

The opportunity was taken to protect the Society's interests by formalising access arrangements to the rear of five cottages in Prestleigh that back onto the new roadway created by the development of the school. The licenses permit access, but do not grant "rights of way".

With regard to the Society's ongoing development agreement with Red Kite Securities, 2016 saw no new investment and no new enquiries, although one investment from a long standing enquiry appears to be gaining traction, and a further long standing enquiry is still live.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS (CONTINUED)

Charitable impact of our development aspirations

- The Mendip School provides education for autistic children from across the catchment area of the Society.
- The Agri-Tech & Food Innovation & Training Centre will, when complete, provide a platform for innovation within the small business food & drink sector as well as place of learning for young people interested in a land-based curriculum.

FINANCIAL REVIEW

The performance of the business improved during the year and on a directly comparable basis the underlying surplus more than doubled to £228k (2015: £112k excluding the triennial Grassland UK). This was mainly as a result of improved gross margins for the Royal Bath & West Show to £643k (2015: £495k) and Bath & West Enterprises Ltd to £1,028k (2015: 1,006k).

The overall surplus for the year was £248k (2015: £453k) however the 2015 surplus included £75k for property disposals and £147k for Grassland UK. The Hills to Levels Fund surplus for the year was £42k (2015: £142k). Support costs increased in the year to £1,786k (2015: £1,724k) as a result of more marketing, training, IT investment and professional fees relating to the Agri-Tech & Food Innovation and Training Centre.

Total income decreased to £3,781k (2015: £4,090k) and total costs decreased to £3,533k (2015: £3,637k).

The consolidated cash balance increased to £1,647k (2015: £1,422k) due to the surplus in the year. Fixed asset investment continued with capital expenditure of £283k (2015: £543k) on building and infrastructure improvements.

The consolidated unrestricted funds increased to £5,879k (2015: £5,669k) and consolidated restricted funds increased to £213k (2015: £175k) as a result of the on-going Hills to Levels Project leaving £184k to be expended in 2017 to conclude the project as disclosed in note 15 to the accounts.

RISK

The principal risk to the Society is the underperformance of its trading subsidiaries. The weather is a risk due to the nature of the outdoor events held on the Showground. Continual investment is made in the infrastructure of the Showground to mitigate this risk.

A further risk to our Shows is animal disease that might cause the closure of all or some of our Shows. The Society has learned the lessons of the Foot & Mouth outbreak in 2001 and has contingency plans in place to limit the financial loss to the Society.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

RISK (CONTINUED)

The challenges faced with bringing forward a successful development programme bring risks in managing the activities that can be hosted on the Showground in the short and medium term. The executive team continue to monitor the situation and keep in regular

communication with those clients that might be affected, as well as developing contingency plans for a variety of scenarios in the longer term.

The formation in 2015 of an Audit Committee that is independently chaired has created an additional risk management tool for the Society to provide appropriate checks to manage a range of risks that could affect the charity.

RESERVES POLICY

Reserves are held to cover the risk of inclement weather and any unplanned repairs and maintenance. The level of reserves should be sufficient to cover at least 3 months of overhead costs of the Society and target reserves are £500k.

The reserves of the Society freely available to be spent in furtherance of its charitable objectives increased to a surplus of £1,073k (2015: £835k) as disclosed in note 16 to the accounts. This amount reflects the working capital of the group and is currently beyond our target as we build funds to help deliver capital projects to improve our facilities in order to generate sustainable surpluses to protect the delivery of our charitable objectives.

DESIGNATED FUNDS

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

The Cheese Fund raises money from cheese sales at the Royal Bath & West Show for charitable giving and is administered by the Dairy Produce Committee.

Both designated funds are expected to be expensed in the next year.

The Infrastructure Upgrade Fund represents a commitment to pay the Society's development partner £150k for the upgrade of showground infrastructure during the course of development. £50k was paid during 2016, and the remainder is due within the term of the development agreement.

The funds are disclosed in note 15 to the accounts.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

TANGIBLE FIXED ASSETS AND INVESTMENT PROPERTY

Investment property consists of land in the development zones of the Showground site. The land is stated at fair value. Any gains or losses arising from valuations or disposals are recognised in the statement of financial activities in the year in which they occur.

As at 1 January 2016, the land was valued at £2,700k. During the year infrastructure works of £42k have been carried out which, in the opinion of the directors, would enhance the market value of the site by at least the cost of the works. Consequently the carrying value of the site as at 31 December 2016 has increased to £2,742k.

Information relating to the changes in tangible fixed assets and investment property is given in Note 8 and Note 9 to the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Society is a charitable Company Limited by Guarantee without share capital, the guarantors being the council members to the extent of £1 each. There were 130 (2015: 132) council members at the balance sheet date.

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

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

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

In 2015 an independently chaired Audit Committee was created as a result of a review and provides appropriate checks to manage a range of risks that could affect the charity.

The Society has formal procedures for the induction and training of directors and members. All new members and directors receive a training and information briefing prior to their first council or board meeting. Directors' training takes place as appropriate in addition to an annual away day for the board when they review many aspects of the Society.

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

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016 (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 Society must hold one general meeting as an annual general meeting in each calendar year. General meetings other than the annual meeting are called extraordinary general meetings.

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

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

RELATED PARTIES

The Society owns 100% of the share capital of Bath & West Enterprises 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 & West of England Society are also directors of Bath & West Enterprises Limited:

R W Ash
R T Calver
R N F Drewett DL

Dr L S Moir
Mrs A B Yeoman OBE DL
M J Felton

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

R W Ash
R T Calver
RNF Drewett DL

J Alvis MBE
A Gibson OBE
Miss E Matheson of Matheson DL

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	The Royal Bath & West of England Society
Charity Number:	1039397
Company Number:	02931640
Directors:	R N F Drewett DL – Chairman J Alvis MBE – Vice Chairman Dr L S Moir – Honorary Treasurer R W Ash R T Calver M J Felton A Gibson OBE Miss E Matheson of Matheson DL M Thatcher Sir David Wills Bt Mrs A B Yeoman OBE DL
Chief Executive:	G R Cox
Company Secretary:	P J Hooper OBE
Registered Office:	The Showground Shepton Mallet Somerset BA4 6QN
Auditor:	PKF Francis Clark Chartered Accountants and Statutory Auditor Blackbrook Gate 1 Blackbrook Business Park Taunton Somerset TA1 2PX
Bankers:	Handelsbanken 66 Queen Square Bristol BS1 4JP

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

In preparing these financial statements the directors are required to:

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

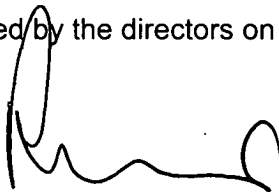
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the directors are aware:

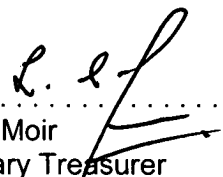
- there is no relevant audit information of which the Society's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Approved by the directors on 28 March 2017 and signed on their behalf by:



 R N F Drewett DL
 Chairman



 Dr L S Moir
 Honorary Treasurer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of The Royal Bath & West of England Society (Company Limited by Guarantee) for the year ended 31 December 2016 which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the Group and Company balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective Responsibilities of Directors and Auditor

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

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

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's and Group's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on Other Matter Prescribed by the Companies Act 2006

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

- The information in the Directors' annual report for the financial year ended 31 December 2016 is consistent with those accounts;
- The Directors' annual report have been prepared in accordance with applicable legal requirements.

In the light of knowledge and understanding of the company and its environment obtained in the course of our audit, we have not identified material misstatements in the Directors' annual report.

Matters on which we are Required to Report by Exception

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

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

PKF Francis Clark

Nicholas Farrant BA MSc ACA (Senior Statutory Auditor)

PKF FRANCIS CLARK

Chartered Accountants and Statutory Auditor

Blackbrook Gate 1,

Blackbrook Business Park

Taunton

Somerset

TA1 2PX

30th MARCH 2017

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

		Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Total Funds 2016 £'000	Unrestricted Funds 2015 £'000	Restricted Funds 2015 £'000	Total Funds 2015 £'000
Note							
INCOME							
		3	-	3	3	19	22
		5	375	380	1	425	426
	4	3,203	-	3,203	3,378	-	3,378
		12	-	12	4	-	4
		183	-	183	260	-	260
<hr/>							
TOTAL INCOME	3,15	3,406	375	3,781	3,646	444	4,090
<hr/>							
EXPENDITURE							
		2,427	-	2,427	2,639	-	2,639
		769	337	1,106	669	329	998
<hr/>							
TOTAL EXPENDITURE	3,15	3,196	337	3,533	3,308	329	3,637
<hr/>							
NET INCOME FOR THE YEAR AND MOVEMENT IN FUNDS		210	38	248	338	115	453
<hr/>							
RECONCILIATION OF FUNDS							
FUNDS BROUGHT FORWARD		5,669	175	5,844	5,331	60	5,391
<hr/>							
FUNDS CARRIED FORWARD		5,879	213	6,092	5,669	175	5,844
<hr/>							

The notes on pages 21 to 37 form an integral part of these financial statements.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED AND COMPANY BALANCE SHEETS
AS AT 31 DECEMBER 2016

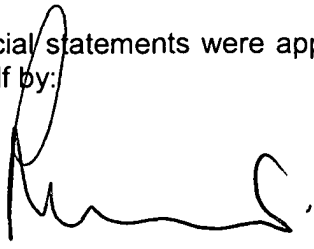
		Group	Group	Company	Company
	Note	2016 £'000	2015 £'000	2016 £'000	2015 £'000
FIXED ASSETS					
Tangible Assets	8	1,953	1,975	1,953	1,975
Investment Properties	9	2,742	2,700	2,742	2,700
Investments	10	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		4,695	4,675	4,695	4,675
		<hr/>	<hr/>	<hr/>	<hr/>
CURRENT ASSETS					
Stock	11	26	24	26	24
Debtors	12	218	298	322	207
Cash at Bank and in Hand		1,647	1,422	1,278	1,277
		<hr/>	<hr/>	<hr/>	<hr/>
		1,891	1,744	1,626	1,508
		<hr/>	<hr/>	<hr/>	<hr/>
LIABILITIES:					
Creditors Falling Due Within One Year	13	(494)	(575)	(230)	(340)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS		1,397	1,169	1,396	1,168
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS		6,092	5,844	6,091	5,843
		<hr/>	<hr/>	<hr/>	<hr/>

(continued on page 19)


THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED AND COMPANY BALANCE SHEETS
AS AT 31 DECEMBER 2016 (CONTINUED)

		Group	Group	Company	Company
	Note	2016	2015	2016	2015
		£'000	£'000	£'000	£'000
FUNDS					
Unrestricted Funds					
General Funds	15	5,739	5,479	5,739	5,479
Non Charitable Trading Funds	15	1	1	-	-
Designated Funds	15	139	189	139	189
		<hr/>	<hr/>	<hr/>	<hr/>
		5,879	5,669	5,878	5,668
Restricted Funds	15	213	175	213	175
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		6,092	5,844	6,091	5,843

The financial statements were approved by the directors on 28 March 2017 and signed on their behalf by:



 R N F Drewett DL
 Chairman



 Dr L S Moir
 Honorary Treasurer

Company Registration Number: 02931640

The notes on pages 21 to 37 form an integral part of these financial statements.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £'000	2015 £'000
Cash flows from operating activities			
Net cash provided by operating activities (a)		520	682
Cash outflows from investing activities:			
Interest received		12	4
Proceeds from sale of tangible fixed assets		18	810
Payments to acquire tangible fixed assets		(283)	(543)
Payments for Investment Properties		(42)	-
		<hr/>	<hr/>
Cash used in investing activities		(295)	271
		<hr/>	<hr/>
Increase in cash and cash equivalents		225	953
Cash and cash equivalents at 1 January		1,422	469
		<hr/>	<hr/>
Cash and cash equivalents at 31 December		1,647	1,422
		<hr/> <hr/>	<hr/> <hr/>

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

	2016 £'000	2015 £'000
Net income for the year	248	453
Interest receivable	(12)	(4)
Depreciation charge	279	280
Loss/(profit) on disposal of fixed assets	8	(75)
Increase in stock	(2)	(3)
Decrease/(increase) in debtors	80	(151)
(Decrease)/increase in creditors	(81)	182
	<hr/>	<hr/>
Cash used in operating activities	520	682
	<hr/> <hr/>	<hr/> <hr/>

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. COMPANY STATUS

The Company is a registered charity and a Company Limited by Guarantee incorporated in England and Wales, without share capital. The address of the registered office is The Showground, Shepton Mallet, Somerset, BA4 6QN. The guarantors are the council members to the extent of £1 each. There were 130 (2015: 132) members at the balance sheet date.

2. ACCOUNTING POLICIES

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

The financial statements have been prepared in accordance with Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

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

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiaries, Bath & West Enterprises Limited and Bath and West Shows Limited, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

Incoming Resources

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

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

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

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

Resources Expended

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

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

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

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

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

Tangible Fixed Assets and Depreciation

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

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

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

Investment Properties

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

Stocks

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

Cash at Bank and in Hand

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

Pension Costs

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

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

Operating Leases

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

Fund Accounting

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

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

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

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

Financial Instruments

The Group only has financial assets and financial liabilities that qualify as basic financial instruments, being trade debtors and trade creditors. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value. Any losses arising from impairment ('doubtful debts') are recognised in the statement of financial activities.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Provision is made against specific trade debtors where recoverability is considered doubtful.

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

Investment properties are stated at fair value. The Directors' estimate of fair value is based upon valuations provided by external, independent valuers, each of whom have an appropriate recognised professional qualification and relevant experience.

Key management personnel are considered to be the directors and senior management team. As trustees, the directors are not remunerated.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

3. ANALYSIS OF ACTIVITIES

	2016					2015				
	Income	Direct	Support	Transfers	Surplus/	Income	Direct	Support	Transfers	Surplus/
	£'000	Costs	costs	£'000	(Deficit)	£'000	Costs	costs	£'000	(Deficit)
		£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
Unrestricted/Designated										
Membership and education	42	(24)	(146)	-	(128)	44	(1)	(106)	-	(63)
Other Showground income	160	(37)	(561)	776	338	223	(36)	(526)	740	401
Bath and West Shows Ltd	2,023	(1,201)	(646)	(176)	-	2,209	(1,388)	(671)	(150)	-
Bath & West Enterprises Ltd	1,181	(152)	(429)	(600)	-	1,170	(163)	(417)	(590)	-
Unrestricted total	3,406	(1,414)	(1,782)	-	210	3,646	(1,588)	(1,720)	-	338
Restricted										
Somerset Levels	-	-	-	-	-	19	(42)	-	-	(23)
Development fund	-	-	-	-	-	375	(233)	-	-	142
Hills to Levels	375	(333)	-	-	42	50	(50)	-	-	-
Princes Countryside Fund	-	-	-	-	-	-	-	-	-	-
Other	-	-	(4)	-	(4)	-	-	(4)	-	(4)
Restricted total	375	(333)	(4)	-	38	444	(325)	(4)	-	115
Total	3,781	(1,747)	(1,786)	-	248	4,090	(1,913)	(1,724)	-	453

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

4. TRADING SUBSIDIARIES

Bath & West Enterprises Limited

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

A summary of its results is shown below:

	2016	2015
	£'000	£'000
Turnover	1,180	1,169
Cost of Sales	(152)	(163)
	<hr/>	<hr/>
Gross Profit	1,028	1,006
Administrative Expenses (excluding rents payable to parent company)	(429)	(417)
Interest Receivable	1	1
	<hr/>	<hr/>
Profit on Ordinary Activities Before Rent	600	590
Rent Due To Parent Company	(204)	(200)
	<hr/>	<hr/>
Profit Donated to Parent Company by Gift Aid	396	390
	<hr/> <hr/>	<hr/> <hr/>

The aggregate of the assets, liabilities and funds were:

	£'000	£'000
Assets	239	133
Liabilities	(238)	(132)
	<hr/>	<hr/>
	1	1
	<hr/> <hr/>	<hr/> <hr/>

Funds represent 2 ordinary shares of £1 each (2015: 2 ordinary shares of £1 each) and the balance on the profit and loss account of £800 (2015: £800).

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

4. TRADING SUBSIDIARIES (CONTINUED)

Bath and West Shows Limited

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

A summary of its results is shown below:

	2016	2015
	£'000	£'000
Turnover	2,022	2,208
Cost of Sales	(1,201)	(1,388)
	<hr/>	<hr/>
Gross Profit	821	820
Administrative Expenses	(646)	(671)
Interest Receivable	1	1
	<hr/>	<hr/>
Profit on Ordinary Activities	176	150
	<hr/>	<hr/>
Profit Donated to Parent Company by Gift Aid	176	150
	<hr/> <hr/>	<hr/> <hr/>

The aggregate of the assets, liabilities and funds were:

	£'000	£'000
Assets	298	213
Liabilities	(298)	(213)
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

Funds represent 3 ordinary shares of £1 each (2015: 3 ordinary shares of £1 each).

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

5. SUPPORT COSTS

	Group 2016 £'000	Group 2015 £'000
Wages and Salaries	717	717
Showground Costs (Facilities)	514	527
Showground Costs (Office)	175	149
Consultancy and Professional Costs	77	26
Finance Costs	12	13
Depreciation	279	280
Auditors remuneration	12	12
	<hr/>	<hr/>
	1,786	1,724
	<hr/>	<hr/>

The analysis of auditors' remuneration is as follows:

	Group 2016 £'000	Group 2015 £'000
Audit of these financial statements	4	4
Audit of financial statements of subsidiary companies	6	6
Accountancy services	2	2
	<hr/>	<hr/>
	12	12
	<hr/>	<hr/>

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

6. STAFF COSTS

	Group 2016 £'000	Group 2015 £'000
Wages and Salaries	667	651
Employer's National Insurance	59	59
Pension Costs	33	31
	<hr/>	<hr/>
	759	741
	<hr/>	<hr/>

The average number of employees was:

	Group 2016	Group 2015
Charitable activities and Show Organisation	17	18
Site maintenance and Development	6	7
	<hr/>	<hr/>
	23	25
	<hr/>	<hr/>

One member of staff had emoluments, excluding pension contributions, within the band £80,001 to £90,000 (2015: one, in the band £70,001 to £80,000). The contributions for the provision of retirement benefits under a money purchase pension scheme for staff within this band were £8,160 (2015: £8,000).

No remuneration was paid to the directors (2015: £Nil) and no expenses have been reimbursed (2015: £Nil).

The total remuneration of key management personnel amounted to £210,655 (2015: £226,181).

7. TAXATION STATUS

The Company is exempt from taxation due to its charitable status. The subsidiary companies are subject to corporation tax. However profits are donated to the charity via Gift Aid, and consequently there is no corporation tax payable.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

8. TANGIBLE FIXED ASSETS

GROUP AND COMPANY

	Freehold Land £'000	Freehold Showground Buildings & Improvements £'000	Plant, Implements, Furniture & Fixtures £'000	Motor Vehicles £'000	Total £'000
COST					
As at 1 January 2016	158	5,377	792	28	6,355
Additions	-	214	69	-	283
Disposals	-	(36)	(207)	-	(243)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2016	158	5,555	654	28	6,395
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
As at 1 January 2016	-	3,733	621	26	4,380
Charge for the Year	-	213	64	2	279
Disposals	-	(28)	(189)	-	(217)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2015	-	3,918	496	28	4,442
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
As at 31 December 2016	158	1,637	158	-	1,953
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2015	158	1,644	171	2	1,975
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value at 31 December 2016 represents fixed assets used entirely for charitable purposes. Within Freehold Showground Improvement additions are £75k relating to the cost of car park infrastructure improvements which will come into use in 2017. No depreciation was charged on this addition during the year.

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9. INVESTMENT PROPERTIES**GROUP AND COMPANY**

	Development Properties £'000
VALUATION	
As at 1 January 2016	2,700
Additions	42
	<hr/>
As at 31 December 2016	2,742
	<hr/>

During the year £42k was contributed towards gas infrastructure works to the development land.

10. FIXED ASSET INVESTMENTS**COMPANY**

The investments held by the Company are a £5 (2015: £5) investment in the subsidiary companies at cost (see note 4).

11. STOCKS

	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
Consumables	26	24	26	24
	<hr/>	<hr/>	<hr/>	<hr/>

The amount of stock expensed in the year ended 31 December 2016 was £21k (2015: £13k).

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12. DEBTORS

	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
Trade Debtors	165	149	14	15
Amounts Due from Group Undertakings	-	-	223	48
Other Debtors	1	1	1	1
Other Taxation and Social Security	-	-	46	-
Prepayments and Accrued Income	52	148	38	143
	<hr/>	<hr/>	<hr/>	<hr/>
	218	298	322	207
	<hr/>	<hr/>	<hr/>	<hr/>

13. CREDITORS: Amounts falling due within one year

	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
Trade Creditors	144	169	141	168
Amounts due to Group Undertakings	-	-	-	61
Other Creditors	6	13	2	-
Other Taxation and Social Security	23	113	15	57
Accruals	67	65	57	49
Deferred Income (Note 14)	254	215	15	5
	<hr/>	<hr/>	<hr/>	<hr/>
	494	575	230	340
	<hr/>	<hr/>	<hr/>	<hr/>

14. DEFERRED INCOME

	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
Balance Brought Forward	215	266	5	10
Trade Stand Income Received	703	878	-	-
Rent Received	-	-	67	73
Released to Statement of Financial Activities	(664)	(929)	(57)	(78)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance Carried Forward	254	215	15	5
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred income will be applied as follows:				
Within 1 year	254	215	15	5
	<hr/>	<hr/>	<hr/>	<hr/>

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FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

15. STATEMENT OF FUNDS

GROUP	As at 1 January 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	As at 31 December 2016 £'000
Unrestricted Funds:					
General Funds	5,479	198	(693)	755	5,739
Bath and West Shows Ltd	-	2,023	(1,847)	(176)	-
Bath & West Enterprises Ltd	1	1,181	(581)	(600)	1
Designated Funds:					
Charity Committee	37	2	(24)	21	36
Cheese Sales	2	2	(1)	-	3
Infrastructure Upgrade	150	-	(50)	-	100
Total Unrestricted Funds	5,669	3,406	(3,196)	-	5,879
Restricted Funds:					
Showering Pavilion Heating System	30	-	(2)	-	28
The Michael Wheatland Memorial Trust	2	-	(2)	-	-
The Somerset Levels Development Fund	1	-	-	-	1
Hills to Levels	142	375	(333)	-	184
Total Restricted Funds	175	375	(337)	-	213
Total Funds	5,844	3,781	(3,533)	-	6,092

The transfer between funds represents gift aid payable from the trading subsidiaries to the parent Company. The transfer from Bath & West Enterprises Ltd also includes an intercompany rent payment of £204k (2015: £200k).

Designated Funds

Charity Committee (formerly Bath & West Grants)

During the period £21k was designated to this fund by the directors (2015: £26k). The fund provides support for projects closely allied to the Company's charitable objectives.

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15. STATEMENT OF FUNDS (CONTINUED)

Cheese Sales

The funds received from cheese sales at the Royal Bath & West Show have been designated by the Dairy Produce Committee for charitable giving during the coming year.

Infrastructure Upgrade

The Company has committed to pay its development partner £150k for the upgrade of showground infrastructure during the course of development and has therefore designated this fund within reserves. £50k was paid in the year.

Restricted Funds

Showering Pavilion Heating System

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

The Michael Wheatland Memorial Trust

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

The Somerset Levels Development Fund (formerly The Somerset Levels Relief Fund)

In 2014 The Royal Bath & West of England Society identified the flooding risk on the Somerset Levels. A self-help fund was established to raise money for water management of the Somerset Levels. The fund is being wound down and is expected to be closed in 2017.

Hills to Levels Fund

Hills to Levels is a partnership between Somerset farming and nature charities that is helping landowners and farmers to farm in a way that reduces flood risk throughout the county while enhancing wildlife and producing high quality food. The project is funded by players of People's Postcode Lottery. The fund is scheduled to be fully expended in 2017.

COMPANY

For the purpose of section 408 of the Companies Act 2006, the net movement of funds for the Company is a surplus of £248k (2015: £452k). Total funds brought forward were £5,843k (2015: £5,391k). Total funds carried forward were £6,091k (2015: £5,843k).

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16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000
Fund balances at 31 December 2016 are represented by:				
Tangible Fixed Assets	1,925	-	28	1,953
Investment Properties	2,742	-	-	2,742
Other Assets	1,073	139	185	1,397
	<hr/> 5,740	<hr/> 139	<hr/> 213	<hr/> 6,092
	<hr/> <hr/>	<hr/> <hr/>	<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.

17. FINANCIAL COMMITMENTS

Financial

As at 31 December 2016 the Group had £100k authorised and contracted financial commitments (2015: £150k). This relates to a contribution to the Company's development partner to upgrade the showground infrastructure for future development, the exact timing of which cannot be determined.

Obligations under Non-cancellable Leases

As at 31 December 2016 the Group had total commitments under non-cancellable operating leases for equipment as follows:

	2016 £'000	2015 £'000
Expiry Date:		
Within 1 year	24	23
2 to 5 years	42	24
	<hr/> 66	<hr/> 47
	<hr/> <hr/>	<hr/> <hr/>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £24k (2015: £23k).

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18. POST BALANCE SHEET EVENTS

On 6 January 2017 a new subsidiary, Bath and West Estates Management Company Limited, was incorporated with 100% of the share capital, being £1 ordinary shares, being held by The Royal Bath and West of England Society. This entity will be included within the consolidated financial statements of future periods.