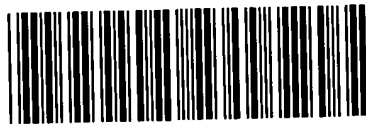


COMPANY NUMBER 02931640
CHARITY NUMBER 1039397

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

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018

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THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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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 2018

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 2018. The directors' report also represents the trustees' report required by Part 8 of the Charities Act 2011.

OBJECTIVES AND ACTIVITIES

OBJECTIVES

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

ACTIVITIES

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

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

The net trading surpluses from our Shows and other Showground activity maintain the Society's estate and invest in projects that deliver the charitable objectives. The capital realised by releasing land for commercial development provides investment to improve the infrastructure and building stock on the Showground and to support other initiatives that further the Society's objectives.

The Society's business plan entitled "At the Hub of Rural Enterprise & Innovation" aspires to position the Society as a hub of rural enterprise across Somerset and the West of England with 5 core objectives:

1. Accentuate the delivery of our Charitable objectives
2. Improve our financial performance
3. Deliver nationally respected and financially strong Agricultural Shows
4. Increase revenues from the Showground
5. Release capital by driving forward development activity

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

ACTIVITIES (CONTINUED)

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

Our core values are important to us: Honesty & Integrity; Loyalty & Respect; Excellence & Pride; Creativity & Innovation

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.

Accentuate the delivery of our charitable objectives

In 2018, £305k was invested by the Society in direct and indirect charitable benefit while still maintaining a trading margin of £190k across the group.

The Charity Committee, now in its fourth year, continues to distribute financial support to a variety of projects and individuals with £33,000 invested during the year (2017 - £17,000).

The Committee's objectives are:

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; and
2. To build an understanding of farming, food and the rural economy among the wider public

The following priorities have been achieved under these themes:

1. Education of Young People (under 25 years old) – £28k on bursaries and events
2. Industry Knowledge Transfer and Innovation – £6.5k on joint events
3. Awards and Scholarships – £6.5k invested
4. Library & Archives Committee continue to act as custodians of the Society's archives – £0.5k

The Society invested over £500,000 in 2017 to create the new Rural Enterprise Centre (REC) which is making a major contribution to achieving our aspiration to be a hub for rural enterprise and innovation. During 2018, in addition to that mentioned above, a number of events and organisations were supported through the REC with an additional public benefit of £2.5k.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

Improve our financial performance

2018 has been another successful year for the Society in terms of promoting and supporting our objectives although the ambitious financial targets were not fully met. This was due primarily to the Society's Main Show not attracting anticipated audiences due to inclement weather.

The Showground as a venue was projected to host three events that either did not take place or failed to deliver the anticipated returns, resulting in not achieving the ambitious targets set, although £40k more than in 2017.

The reputation of the Society, however continues to grow, driven not least through the activities of the new Rural Enterprise Centre and our growing working relationship with a number of external stakeholders and delivery partners such as Innovation For Agriculture (IfA), Wiltshire College, Linking Environment And Farming (LEAF) and the Academy of Cheese.

As well as delivering a well attended 4 day Show in June, a 1-day Dairy Show in October and in 2018 the 1-day triennial Grassland UK Show, the Society continues to influence the Show community through the Association of Show and Agricultural Organisations (ASAO).

We are also members of the Royal Agricultural Society of the Commonwealth (RASC) and the European Federation of Agricultural Exhibition and Show Organisers (EURASCO) making sure we influence internationally through these Commonwealth and European bodies.

The Chairman attended the RASC Conference in Edmonton, Canada, while the Chief executive attended the ASAO annual conference in Southampton and the EURASCO AGM in Borgeby, Sweden.

Membership of the Society grew for the first time in many years during 2018. This included 68 new Show Members recruited through the website and 32 Business Members boosting our membership income to £54,000 (an increase of £10,000).

Deliver nationally respected and financially strong Agricultural Shows

The Royal Bath & West Show continues to be the pinnacle of the Society's year. Just under 10,000 competitive entries admired by just under 130,000 visitors who also appreciated and supported continued innovation and development of the Show such as:

- Competitive livestock competitions for young showmen
- Increased interest and activity in the new food area with a greater emphasis on the consumption of more locally produced food and drink

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS (CONTINUED)

Due to some inclement weather and not meeting our attendance expectations, we achieved a gross margin of £525k, which has had a significant impact on the end-of-year results. While financially not as strong as we had hoped, the Show was operationally very successful and received positive feedback from those who attended.

Charitable impact of the Show:

The following sections of the Show provide a direct public benefit with competition, promotion, skills development and education to participants and visitors: Farming for the Family, Imagineering, Bath & West Food & Drink, Woodland and Countryside Conservation, Bees & Honey, Orchards & Cider, Sheep Shearing, Horse Shoeing, The British Cheese Awards, Horses, Livestock, The Safety Zone, Horticulture and Vintage Vehicles.

The value of supporting these sections of the Royal Bath & West Show amounts to £292k.

The Show continues to provide an indirect charitable impact on a range of organisations who continue to work with us for mutual benefit. Such examples are:

- Emergency Services and the Armed Forces – by having a presence at the Show they 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 works
- 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 Clubs – by providing volunteers to support the Show in supporting the livestock section and sign erecting, the Show makes a donation to their Club.

The Dairy Show has developed into the largest dairy show in the UK attracting exhibitors from across the country for the one-day show that is attended by over 6,000 farmers, growers and industry leaders. 2018 saw an increase in cattle numbers including the Jersey breed national show and over 1.4 miles of trade stand space. We were delighted to welcome a small increase in visitors that contribute to a gross margin of £174k, being £9k down on 2017.

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 & fertility management techniques and veterinary improvements such as reducing the use of antibiotics.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS (CONTINUED)

Grassland UK took place in 2018. This triennial event is one of the largest such events in the country attended by 6,043 farmers, growers and industry leaders, with high-tech machinery manufacturers coming from all over Europe to demonstrate the latest technologies in grassland management. The gross margin of the event came in under the budget of £162k due in no small part to the contraction in the manufacturing and dealership sector correlating with not meeting our budget for demonstration space. However, a gross margin of £133k was achieved.

The knowledge transfer of innovative technologies at Grassland UK include:

Introduction to new grassland management machinery from 17 manufacturers; new silage making techniques and innovations; new silage clamp management & grass handling technologies and innovations; innovative grassland reseeding techniques; grass seed development; legume seed development; fertiliser & chemical management; slurry and muck management; environmental protection techniques.

Directors continue to monitor and review the effectiveness and relevance of its Shows with ongoing consideration of content, target audience, trading opportunities, livestock, entries, entertainment, price points and duration of Shows.

With the numbers of farmers decreasing while the sizes of agricultural holdings increase, the Society must continually manage the effects of this changing demographic to make sure that our specialist industry events remain relevant and financially viable.

Increase revenues from the Showground

Commercial activity on the Showground continues to provide an important income stream, with letting & catering income up £40k on that reported in 2017.

2019 will be a challenging year as replacing the loss of New Wine (the large long standing religious rally) in one year is almost impossible. We have budgeted to replace £75k of letting income and £25k of additional catering income from the Wessex Pavilion which leaves a shortfall of £100k that we anticipate securing in 2020.

The appointment of a Commercial Enterprise Manager in September 2018 is already having a positive impact on new enquiries and bookings as we work towards a more diverse portfolio of events.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS (CONTINUED)

The four-year maintenance and refurbishment plan has seen continual progress in 2018 with expenditure of over £1.1m which includes, but not exclusively, the following:

- Restaurant refurbishment (£678k)
- Final instalment of Rural Enterprise Centre refurbishment (£118k)
- Perimeter security fencing (£55k)
- Continue the comprehensive toilet block refurbishment programme (£60k)
- Continue to add new trackway and drainage works in the car parks (£22k)
- Extension to the Works Barn (£33k)

Furthermore, we invested £149k in annual maintenance work.

During 2019 the Society will be making major investment in the showground restaurant and, as a result, other capital expenditure will only be committed to once the success of the 2019 Royal Bath & West Show is quantified as the directors remain prudent in their cash flow management of the charity.

Public benefit of events on the Showground:

The activities held on the showground make a major contribution to the health and well-being of the 600,000 visitors.

The SW Tractor Rally and the SW Game Fair are all close to our rural roots with a number of our smaller artisan food producers exhibiting at the game fair where a variety of rural crafts and past-times are also promoted.

Those who come from urban conurbations to camp either for religious rallies or sports weekends get the experience of staying in the countryside and for a short while enjoy the rural idyll we take for granted. For young people who use our showground for music events or adventure sports 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.

Release capital by driving forward development activity

There continues to be little progress with the Society's regeneration and development aspirations through its relationship with the development partner Red Kite Securities Ltd.

A local brewery looking to expand and grow was given planning permission to develop circa 4 acres of the Showground in 2017, but this deal has not materialised during 2018, and we are unsure if or when this might occur.

A new marketing campaign was launched by the development partner in 2018 which included new branding, signage and the creation of a website which has helped to increase awareness of the opportunities on the site, although with a challenging commercial development environment, this will not guarantee additional interest.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS (CONTINUED)

The Society has, however, invested reserves in the refurbishment of the old restaurant and bar building in the centre of the showground. Built in the early 1980s the building and its facilities had become outdated and no longer fit for purpose. By the time the facility is reopened as the Wessex Pavilion in May 2019, the Society will have invested £1.1m together with another £200,000 contribution from the catering contractor in exchange for an extended 15-year lease on the building.

Trustees see this investment as a key driver in diversifying the non-show income profile while maximising the potential of an aging building.

Financial year ending 31 December 2019

Looking ahead, 2019 will be a challenging trading year for the Society. The loss of New Wine, as previously reported, not being a year in which Grassland UK is hosted and an uncertain political and economic climate will mean that we are anticipating making a small trading loss, however we will continue to invest in our charitable activity wherever possible.

Cash flow in the first quarter will also be a challenge due in no small part to the major investment in the restaurant refurbishment eating into our reserves; however, Directors have put in place measures to have access to finance should it be required. The Society has had an unutilised overdraft facility of £100k for several years, and it has also made arrangements for a flexible loan facility of up to £300k should this be required later in the year should the Society experience disappointing trading from the subsidiary companies.

FINANCIAL REVIEW

The performance of the business was good during the year (although below budget) with an underlying surplus of £190k (2017: £42k). This was mainly due to the gross margin for the Royal Bath & West Show being £525k (2017: £642k) against a budget of £700k and Bath & West Enterprises Ltd gross margin being £981k (2017: 950k) against a budget of £1,016k.

The overall surplus for the year was £190k (2017: £42k) however this surplus was after charging a £3k deficit (2017: £173k deficit) for the Hills to Levels Project, the prior year deficit was due to a timing difference as the second tranche of income of £375k was received in 2016. Support costs increased by £38k largely due to increased depreciation charges (following completion of the REC) offset by other cost savings.

Total income increased to £3,684k (2017: £3,440k) and total costs increased to £3,494k (2017: £3,398k).

The consolidated cash balance decreased to £472k (2017: £1,155k) due to the increased capital expenditure in the year of £992k (2017: £843k) of which £678k related to the restaurant refurbishment.

The consolidated unrestricted funds increased to £6,244k (as restated 2017: £6,052k) and consolidated restricted funds decreased to £79k (2017: £81k) as 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 2018 (CONTINUED)

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.

The current economic uncertainty, including that arising from Brexit (especially on the agricultural sector), is a risk – in particular the number of visitors to our shows and the events of our showground clients, as well as the impact on our show trade stands.

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 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 decreased to a surplus of £259k (2017 as restated: £662k) 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 ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

DESIGNATED FUNDS (CONTINUED)

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 of which £50k was paid in 2016, and the remainder is due within the term of the development agreement.

The funds are disclosed in note 15 to the accounts.

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 2018, the land was valued at £2,742k. There are positive sales leads and in the opinion of the directors the carrying value of the site as at 31 December 2018 remains the same.

Information relating to the changes in tangible fixed assets and investment property is given in Note 8 and Note 9 to the financial statements. Capital commitments as at 31 December 2018 are disclosed in Note 17.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Society is a charitable company Limited by Guarantee without share capital, the guarantors being the council members to the extent of £1 each. There were 145 (2017: 133) 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 externally.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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.

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.

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

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

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 were also directors of Bath & West Enterprises Limited during the year:

R W Ash
R T Calver
R N F Drewett DL
M Thatcher

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 were also directors of Bath and West Shows Limited during the year:

R W Ash
R T Calver (resigned 29 May 2018)
RNF Drewett DL

J Alvis MBE
A Gibson OBE

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018 (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 (resigned 1 April 2018) M Thatcher Sir David Wills Bt Mrs A B Yeoman OBE DL C B Look (appointed 1 May 2018) R W Uloth (appointed 1 May 2018)
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 2018 (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.

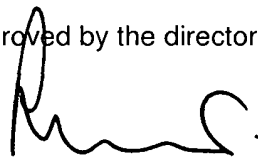
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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:

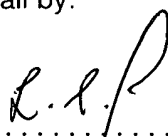
- there is no relevant audit information of which the Society's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 5 April 2019 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 2018

Opinion

We have audited the financial statements of The Royal Bath & West of England Society for the year ended 31 December 2018, which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Charitable Company's affairs as at 31 December 2018 and of the Group's incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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 2018 (CONTINUED)

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 2018 (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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



.....
Nicholas Farrant BA MSc FCA (Senior Statutory Auditor)
PKF FRANCIS CLARK

Chartered Accountants and Statutory Auditor
Blackbrook Gate 1,
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

Date: 9th April 2019

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 2018

		Unrestricted Funds 2018 £'000	Restricted Funds 2018 £'000	Total Funds 2018 £'000	Unrestricted Funds 2017 £'000	Restricted Funds 2017 £'000	Total Funds 2017 £'000
Note							
INCOME							
		2	-	2	7	-	7
		6	17	23	7	43	50
Other trading activities	4	3,476	-	3,476	3,216	-	3,216
Investments		4	-	4	5	-	5
Other		179	-	179	162	-	162
TOTAL INCOME	3,15	3,667	17	3,684	3,397	43	3,440
EXPENDITURE							
		2,742	-	2,742	2,527	-	2,527
Expenditure on charitable activities		742	10	752	696	175	871
TOTAL EXPENDITURE	3,15	3,484	10	3,494	3,223	175	3,398
NET INCOME/(EXPENDITURE)		183	7	190	174	(132)	42
TRANSFERS BETWEEN FUNDS		9	(9)	-	-	-	-
NET INCOME FOR THE YEAR AND MOVEMENT IN FUNDS		192	(2)	190	174	(132)	42
RECONCILIATION OF FUNDS:							
FUNDS BROUGHT FORWARD		6,053	81	6,134	5,879	213	6,092
FUNDS CARRIED FORWARD		6,245	79	6,324	6,053	81	6,134

The notes on pages 20 to 39 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 2018

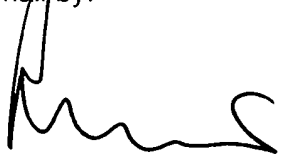
		Group	Group	Company	(As restated) Company
	Note	2018 £'000	2017 £'000	2018 £'000	2017 £'000
FIXED ASSETS					
Tangible Assets	8	3,200	2,533	3,200	2,533
Investment Properties	9	2,742	2,742	2,742	2,742
Investments	10	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		5,942	5,275	5,942	5,275
		<hr/>	<hr/>	<hr/>	<hr/>
CURRENT ASSETS					
Stock	11	22	22	22	22
Debtors	12	304	243	136	130
Cash at Bank and in Hand		472	1,155	374	842
		<hr/>	<hr/>	<hr/>	<hr/>
		798	1,420	532	994
		<hr/>	<hr/>	<hr/>	<hr/>
LIABILITIES:					
Creditors Falling Due Within One Year	13	(416)	(561)	(324)	(616)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS		382	859	208	377
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS		6,324	6,134	6,150	5,651
		<hr/>	<hr/>	<hr/>	<hr/>

(continued on page 18)

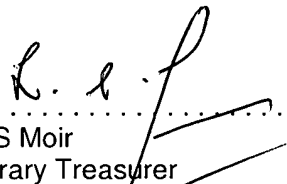
THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED AND COMPANY BALANCE SHEETS
AS AT 31 DECEMBER 2018 (CONTINUED)

		Group	Group	Company	(As restated) Company
	Note	2018 £'000	2017 £'000	2018 £'000	2017 £'000
FUNDS					
Unrestricted Funds					
General Funds	15	5,955	5,429	5,954	5,428
Non Charitable Trading Funds	15	173	482	-	-
Designated Funds	15	117	142	117	142
		<hr/>	<hr/>	<hr/>	<hr/>
		6,245	6,053	6,071	5,570
Restricted Funds	15	79	81	79	81
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS		6,324	6,134	6,150	5,651
		<hr/>	<hr/>	<hr/>	<hr/>

The financial statements were approved by the directors on 5 April 2019 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 20 to 39 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 2018

	Note	2018 £'000	2017 £'000
Cash flows from operating activities			
Net cash provided by operating activities	(a)	305	346
Cash outflows from investing activities:			
Interest received		4	5
Payments to acquire tangible fixed assets		(992)	(843)
		<hr/>	<hr/>
Cash used in investing activities		(988)	(838)
		<hr/>	<hr/>
Decrease in cash and cash equivalents		(683)	(492)
Cash and cash equivalents at 1 January		1,155	1,647
		<hr/>	<hr/>
Cash and cash equivalents at 31 December		472	1,155
		<hr/>	<hr/>

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

	2018 £'000	2017 £'000
Net income for the year	190	42
Interest receivable	(4)	(5)
Depreciation charge	325	263
Decrease in stock	-	4
Increase in debtors	(61)	(25)
(Decrease)/increase in creditors	(145)	67
	<hr/>	<hr/>
Cash flows from operating activities	305	346
	<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 2018

1. COMPANY STATUS

The Company is a registered charity and a Company Limited by Guarantee incorporated in England and Wales, without share capital. The address of the registered office is The Showground, Shepton Mallet, Somerset, BA4 6QN. The guarantors are the council members to the extent of £1 each. There were 145 (2017: 133) 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, Bath and West Shows Limited, Bath and West Estates Management Company Limited, and British Cheese Awards Limited on a line-by-line basis.

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

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

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

Reclassification of comparative amounts

Amendments to FRS 102 published in 2018 clarified the accounting treatment of gift aid payments where a trading subsidiary of a registered charity donates profits to its parent. Such payments are classed as a distribution from profit and are accounted for when paid, as dividends, rather than in the year in which the related profits arose.

The financial impact of this timing difference on the Company balance sheet as at 31 December 2017 was to decrease amounts due from group undertakings from £92k to £nil, increase amounts due to group undertakings from £nil to £389k, and decrease unrestricted funds from £5,910k to £5,428k (in respect of the 2017 gift aid donation, now recognised as a distribution in the year ended 31 December 2018).

Further, unrestricted funds brought forward at 1 January 2017 have decreased from £5,739k to £5,167k (in respect of the 2016 gift aid donation now recognised as a distribution in the year ended 31 December 2017).

The financial impact of this timing difference on the Company statement of financial activities for the year ended 31 December 2017 was to increase the surplus for the year from £42k to £133k.

There was no financial impact on the consolidated balance sheet as at 31 December 2017 nor on the consolidated balance sheet as at 1 January 2017, nor on the consolidated statement of financial activities for the year ended 31 December 2017.

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.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (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 in support of expenditure on the charitable activities of the Group.

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

Tangible Fixed Assets and Depreciation

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

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

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

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.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

Cash at Bank and in Hand

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

Pension Costs

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

Operating Leases

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

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the 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 and other debtors and creditors, and cash and bank balances.

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

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (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.

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 2018 (CONTINUED)

3. ANALYSIS OF ACTIVITIES

	Income £'000	Direct Costs £'000	2018 Support costs £'000	Transfers £'000	Surplus/ (deficit) £'000	Income £'000	Direct Costs £'000	2017 (As restated) Support costs £'000	Transfers £'000	Surplus/ (deficit) £'000
Unrestricted/Designated										
Membership and education	60	(44)	(220)	9	(195)	44	(21)	(160)	-	(137)
Other Showground income	131	(2)	(476)	831	484	137	(18)	(496)	571	194
Bath and West Shows Ltd	2,317	(1,483)	(653)	(268)	(87)	2,103	(1,277)	(659)	(175)	(8)
Bath & West Enterprises Ltd	1,159	(178)	(428)	(563)	(10)	1,113	(163)	(429)	(396)	125
Unrestricted total	3,667	(1,707)	(1,777)	9	192	3,397	(1,479)	(1,744)	-	174
Restricted										
Somerset Levels	-	-	-	-	-	-	-	-	-	-
Development fund	-	(3)	-	(8)	(11)	-	(173)	-	-	(173)
Hills to Levels	-	-	(2)	-	(2)	43	-	-	-	43
SWRGF	13	-	(3)	-	10	-	-	-	-	-
RDPE	4	-	(2)	(1)	1	-	-	(2)	-	(2)
Other										
Restricted total	17	(3)	(7)	(9)	(2)	43	(173)	(2)	-	(132)
Total	3,684	(1,710)	(1,784)	-	190	3,440	(1,652)	(1,746)	-	42

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

4. TRADING SUBSIDIARIES

Bath & West Enterprises Limited

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

	(As restated)	
	2018	2017
	£'000	£'000
Turnover	1,159	1,113
Cost of Sales	(178)	(163)
	<hr/>	<hr/>
Gross Profit	981	950
Administrative Expenses (excluding rents payable to parent company)	(428)	(429)
	<hr/>	<hr/>
Profit on Ordinary Activities Before Rent	553	521
Rent Due To Parent Company	(212)	(208)
	<hr/>	<hr/>
Profit on Ordinary Activities	341	313
	<hr/>	<hr/>
Dividend paid to Parent Company	563	396
	<hr/>	<hr/>
The aggregate of the assets, liabilities and funds were:		
	£'000	£'000
Assets	165	394
Liabilities	(73)	(80)
	<hr/>	<hr/>
	92	314
	<hr/>	<hr/>

Funds represent 2 ordinary shares of £1 each (2017: 2 ordinary shares of £1 each) and the balance on the profit and loss account of £92,165 (As restated 2017: £314,191).

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (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:

	2018 £'000	(As restated) 2017 £'000
Turnover	2,316	2,102
Cost of Sales	(1,483)	(1,277)
Gross Profit	833	825
Administrative Expenses	(653)	(658)
Interest Receivable	1	1
Profit on Ordinary Activities	181	168
Dividend paid to Parent Company	268	175
The aggregate of the assets, liabilities and funds were:		
	£'000	£'000
Assets	278	485
Liabilities	(197)	(317)
	81	168

Funds represent 3 ordinary shares of £1 each (2017: 3 ordinary shares of £1 each) and the balance on the profit and loss account of £81,385 (As restated 2017: £167,771).

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

5. SUPPORT COSTS

	Group 2018 £'000	Group 2017 £'000
Wages and Salaries	748	731
Showground Costs (Facilities)	463	513
Showground Costs (Office)	192	177
Consultancy and Professional Costs	28	37
Finance Costs	15	12
Depreciation	324	263
Auditors remuneration	14	13
	<hr/>	<hr/>
	1,784	1,746
	<hr/>	<hr/>

The analysis of auditors' remuneration is as follows:

	Group 2018 £'000	Group 2017 £'000
Audit of these financial statements	4	4
Audit of financial statements of subsidiary companies	7	7
Accountancy services	3	2
	<hr/>	<hr/>
	14	13
	<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 2018 (CONTINUED)

6. STAFF COSTS

	Group 2018 £'000	Group 2017 £'000
Wages and Salaries	659	657
Employer's National Insurance	61	62
Pension Costs	35	35
	<hr/>	<hr/>
	755	754
	<hr/>	<hr/>

The average number of employees was:

	Group 2018	Group 2017
Charitable activities and show organisation	16	17
Site maintenance and development	6	6
	<hr/>	<hr/>
	22	23
	<hr/>	<hr/>

One member of staff had emoluments, excluding pension contributions, within the band £80,001 to £90,000 (2017: one, in the band £80,001 to £90,000). The contributions for the provision of retirement benefits under a money purchase pension scheme for staff within this band were £8,490 (2017: £13,323).

No remuneration was paid to the directors (2017: £Nil) and no expenses have been reimbursed (2017: £Nil).

The total remuneration of key management personnel amounted to £221,247 (2017: £216,908).

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 by way of tax deductible distribution made within 9 months of the financial year end, and consequently there is no corporation tax payable.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

8. TANGIBLE FIXED ASSETS

GROUP AND COMPANY

	Freehold Land Improvements £'000	Freehold Showground Buildings & Improvements £'000	Plant, Implements, Furniture & Fixtures £'000	Motor Vehicles £'000	Total £'000
COST					
As at 1 January 2018	158	6,171	769	38	7,136
Addition	-	858	134	-	992
Disposals	-	(152)	-	-	(152)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2018	158	6,877	903	38	7,976
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
As at 1 January 2018	-	3,996	577	30	4,603
Charge for the year	-	222	100	3	325
Disposals	-	(152)	-	-	(152)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2018	-	4,066	677	33	4,776
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
As at 31 December 2018	158	2,811	226	5	3,200
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2017	158	2,175	192	8	2,533
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value at 31 December 2018 represents fixed assets used entirely for charitable purposes.

Within Freehold Showground Buildings & Improvement additions are £678k relating to the Restaurant Refurbishment (2017: £534k relating to the Rural Enterprise Centre) which will come into use in 2019. No depreciation was charged on these additions during the year.

THE ROYAL BATH & WEST OF ENGLAND SOCIETY
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

9. INVESTMENT PROPERTIES

GROUP AND COMPANY

	Development Properties £'000
VALUATION	
As at 1 January 2018 and 31 December 2018	2,742

The development property was valued by the directors.

The last external valuation was completed by Alder King LLP in 2015 for 1st January 2014. The valuation remains unchanged.

10. FIXED ASSET INVESTMENTS

COMPANY

The investments held by the Company are investments in subsidiary companies at a total cost of £6 (2017: £6).

Details of undertakings

Details of undertakings		Proportion of voting rights and shares held	
Undertaking	Holding	2018	2017
<i>Subsidiary undertakings</i>			
Bath & West Enterprises Limited	Ordinary	100%	100%
Bath and West Shows Limited	Ordinary	100%	100%
Bath and West Estates Management Company Limited	Ordinary	100%	100%
British Cheese Awards Limited (+)	Ordinary	100%	100%

(+) Shares held by a subsidiary company.

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

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

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

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11. STOCKS

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Consumables	22	22	22	22
	<hr/>	<hr/>	<hr/>	<hr/>

The amount of stock expensed in the year ended 31 December 2018 was £15k (2017: £18k).

12. DEBTORS

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	(As restated) Company 2017 £'000
Trade Debtors	125	183	15	32
Other Debtors	19	1	19	1
Other Taxation and Social Security	76	4	75	69
Prepayments and Accrued Income	84	55	27	28
	<hr/>	<hr/>	<hr/>	<hr/>
	304	243	136	130
	<hr/>	<hr/>	<hr/>	<hr/>

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13. CREDITORS: Amounts falling due within one year

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	(As restated) Company 2017 £'000
Trade Creditors	76	73	49	69
Amounts Due to Group Undertakings	-	-	177	389
Other Creditors	9	19	9	9
Other Taxation and Social Security	15	17	15	17
Accruals	70	126	61	116
Deferred Income (Note 14)	246	326	13	16
	<hr/>	<hr/>	<hr/>	<hr/>
	416	561	324	616
	<hr/>	<hr/>	<hr/>	<hr/>

14. DEFERRED INCOME

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Balance Brought Forward	326	254	16	15
Trade Stand Income Received	952	803	-	-
Rent Received	899	831	84	64
Membership Received	51	40	51	41
Released to Statement of Financial Activities	(1,982)	(1,602)	(138)	(104)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance Carried Forward	246	326	13	16
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred income will be applied as follows:				
Within 1 year	246	326	13	16
	<hr/>	<hr/>	<hr/>	<hr/>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS

GROUP	(As restated) As at 1 January 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	As at 31 December 2018 £'000
Unrestricted Funds:					
General Funds	5,429	185	(702)	1,043	5,955
Bath and West Shows Ltd	168	2,317	(2,136)	(268)	81
Bath & West Enterprises Ltd	314	1,159	(606)	(775)	92
Designated Funds:					
Charity Committee	36	2	(35)	9	12
Young People's Funds	6	4	(5)	-	5
Infrastructure Upgrade	100	-	-	-	100
Total Unrestricted Funds	6,053	3,667	(3,484)	9	6,245
Restricted Funds:					
Showering Pavilion					
Heating System	26	-	(2)	-	24
The Somerset Levels					
Development Fund	1	-	-	(1)	-
Hills to Levels	11	-	(3)	(8)	-
South West Growth Fund	43	-	(2)	-	41
Rural Development Programme for England (RDPE)	-	13	(3)	-	10
Mendip DC REC F&D Grant	-	4	-	-	4
Total Restricted Funds	81	17	(10)	(9)	79
Total Funds	6,134	3,684	(3,494)	-	6,324

The transfer between funds represents distribution of profits from the trading subsidiaries to the parent Company. The transfer from Bath & West Enterprises Limited also includes an intercompany rent payment of £212k (2017: £208k).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

15. STATEMENT OF FUNDS (CONTINUED)

GROUP	(As restated) As at 1 January 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	(As restated) As at 31 December 2017 £'000
Unrestricted Funds:					
General Funds	5,167	174	(674)	762	5,429
Bath and West Shows Ltd	176	2,103	(1,936)	(175)	168
Bath & West Enterprises Ltd	397	1,113	(592)	(604)	314
Designated Funds:					
Charity Committee	36	2	(19)	17	36
Cheese Sales	3	5	(2)	-	6
Infrastructure Upgrade	100	-	-	-	100
Total Unrestricted Funds	<u>5,879</u>	<u>3,397</u>	<u>(3,223)</u>	<u>-</u>	<u>6,053</u>
Restricted Funds:					
Showering Pavilion Heating System	28	-	(2)	-	26
The Somerset Levels Development Fund	1	-	-	-	1
Hills to Levels	184	-	(173)	-	11
South West Growth Fund	-	43	-	-	43
Total Restricted Funds	<u>213</u>	<u>43</u>	<u>(175)</u>	<u>-</u>	<u>81</u>
Total Funds	<u><u>6,092</u></u>	<u><u>3,440</u></u>	<u><u>(3,398)</u></u>	<u><u>-</u></u>	<u><u>6,134</u></u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

15. STATEMENT OF FUNDS (CONTINUED)

Designated Funds

Charity Committee

During the period £nil was designated from the General Funds to this fund by the directors (2017: £17k). During the period £9k was transferred from two Restricted Funds. The fund provides support for projects allied to the Company's charitable objectives.

Young People's Funds

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. £100k of this commitment remains as £Nil (2017: £Nil) was paid in the year.

Restricted Funds

Showering Pavilion Heating System

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

The Somerset Levels Development 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 has been wound down and the small balance remaining was transferred to the Charity Committee designated fund.

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 was partly spent in the year with the remainder transferred to the Charity Committee designated fund.

South West Growth Fund

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

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15. STATEMENT OF FUNDS (CONTINUED)

Rural Development Programme for England (RDPE)

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

Mendip District Council REC F&D Grant

A grant of £4k was received from MDC to fund the development of the REC. This is expected to be spent in the following year.

COMPANY

For the purpose of section 408 of the Companies Act 2006, the net movement of funds for the Company is a surplus of £499k (2017 as restated: £133k). Total funds brought forward were £5,651k (2017 as restated: £5,519k). Total funds carried forward were £6,150k (2017 as restated: £5,651k).

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000
Fund balances at 31 December 2018 are represented by:				
Tangible Fixed Assets	3,127	-	73	3,200
Investment Properties	2,742	-	-	2,742
Other Assets	259	117	6	382
	<hr/>	<hr/>	<hr/>	<hr/>
	6,128	117	79	6,324
	<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.

	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000
Fund balances at 31 December 2017 are represented by:				
Tangible Fixed Assets	2,507	-	26	2,533
Investment Properties	2,742	-	-	2,742
Other Assets	662	142	55	859
	<hr/>	<hr/>	<hr/>	<hr/>
	5,911	142	81	6,134
	<hr/>	<hr/>	<hr/>	<hr/>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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17. FINANCIAL COMMITMENTS

Financial

As at 31 December 2018 the Group had £598k authorised and contracted financial commitments (2017: £125k).

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

£498k relates to the construction costs of the restaurant refurbishment, expected to be completed in April 2019.

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

As at 31 December 2018 the Group had total commitments under non-cancellable operating leases, for the following minimum lease payments:

	2018	2017
	£'000	£'000
Expiry Date:		
Within 1 year	26	12
2 to 5 years	68	30
	<hr/>	<hr/>
	94	42
	<hr/>	<hr/>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £22k (2017: £24k).

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

As at 31 December 2018 the Group had contracted with tenants under non-cancellable operating leases, for the following minimum lease payments:

	2018	2017
	£'000	£'000
Expiry Date:		
Within 1 year	23	15
2 to 5 years	20	20
	<hr/>	<hr/>
	43	35
	<hr/>	<hr/>

The operating leases represent rental of properties to third parties.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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18. FINANCIAL INSTRUMENTS

The carrying amount of the Group's and Company's financial instruments at 31 December were:

GROUP	2018 £'000	2017 £'000
Financial assets:		
- Financial assets measured at fair value through Statement of Financial Activities	2,742	2,742
- Debt instruments measured at amortised cost	228	239
	<hr/>	<hr/>
	2,970	2,981
	<hr/>	<hr/>
Financial liabilities:		
- Measured at amortised cost	401	544
	<hr/>	<hr/>
COMPANY	2018 £'000	2017 £'000
Financial assets:		
- Financial assets measured at fair value through Statement of Financial Activities	2,742	2,742
- Debt instruments measured at amortised cost	61	61
	<hr/>	<hr/>
	2,803	2,803
	<hr/>	<hr/>
Financial liabilities:		
- Measured at amortised cost	309	599
	<hr/>	<hr/>