

**COMPANY NUMBER 2931640**  
**CHARITY NUMBER 1039397**

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

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2005**



**THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2005**

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**THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**  
**FOR THE YEAR ENDED 31 OCTOBER 2005**

**COMPANY INFORMATION**

<b>Charity Number:</b>	1039397
<b>Company Number:</b>	2931640
<b>Directors:</b> <b>(FC: Member of Finance Committee)</b>	J Vintcent (FC) - Chairman R N F Drewett, DL (FC) - Vice Chairman J Alvis, MBE R W Ash (FC) A R Goode (FC) R T Calver (FC) (Resigned 17.02.05) M H Dare M Felton, MFH (Appointed 19.04.05) Miss E Matheson of Matheson, DL Mrs J Sheldon J R Speid-Soote (Resigned 01.02.05) T R N Walford, MIEE, CEng E W White
<b>Chief Executive:</b>	J Guise, PhD, C.Biol., M.I.Biol., Hon ARCVS
<b>Company Secretary:</b>	D H C Batten
<b>Registered Office:</b>	The Showground Shepton Mallet Somerset BA4 6QN
<b>Accountants:</b>	Tenon Limited The Old Mill Park Road Shepton Mallet Somerset BA4 5BS
<b>Auditor:</b>	Tenon Audit Limited The Old Mill Park Road Shepton Mallet Somerset BA4 5BS
<b>Bankers:</b>	National Westminster Bank plc 25 High Street Shepton Mallet Somerset BA4 5AF

**THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**  
**FOR THE YEAR ENDED 31 OCTOBER 2005 (CONTINUED)**

**Solicitors:**

Battens  
Mansion House  
Princes Street  
Yeovil  
Somerset  
BA20 1EP

**Investment Managers:**

Gerrard Limited  
40/42 Queens Square  
Bristol  
BS1 4QP

**THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 OCTOBER 2005**

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

The directors submit their report and audited financial statements for the year ended 31 October 2005. The directors' report also represents the trustees' report required by part VI of the Charities Act 1993. The legal and administrative information set out on page 1 forms part of this report.

### **ORGANISATION AND OBJECTIVES OF THE CHARITY**

The Company is a charitable Company Limited by Guarantee without share capital, the guarantors being the council members to the extent of £1 each. There were 128 (2004: 130) council members at the balance sheet date.

The governing documents of the Company are the memorandum and Articles of Association dated 23 May 1994 with subsequent amendments agreed on 18 November 1999 and 19 February 2004. The financial statements comply with these governing documents, current statutory legislation and the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000). These documents are supported by the Byelaws of the Company which govern the operation of the Company in more detail.

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

The business of the Company is managed by the directors who may exercise all the powers of the Company.

At every annual general meeting one third of the directors shall retire by rotation. Directors retiring by rotation may be re-elected but not for a fifth consecutive term of office.

The directors meet six times a year. The directors are appointed by the Company in general meeting or by the directors although if appointed by the directors the director can only hold office until the next annual general meeting. The annual general meeting comprises full council members and vice presidents. The membership has three representatives on the council of the Company and has an annual members' meeting. The members' representatives are governed by the Byelaws.

Nominations for council membership have to be approved by the directors. Council members are admitted at any general meeting. General meetings are held three times a year. The Company must hold one general meeting as an annual general meeting in each calendar year. General meetings other than the annual meeting are called extraordinary general meetings.

### **RELATED PARTIES**

The Company owns 100% of the share capital of The Bath and West Trading Co Limited, the principal activity of which is the commercial organisation of events and the provision of catering services. Of the directors, Mr Goode is a director of this Company and Mr Calver was a director until his resignation on 17 February 2005.

**THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 OCTOBER 2005 (CONTINUED)**

## **REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS**

The Society's primary income stream, from its outdoor events, suffered a downturn in 2004/05 owing almost entirely to reduced ticket sales resulting from the awful weather at the Royal Bath and West show. The financial impact of the poor weather was mitigated by careful cost control, professional marketing and new initiatives. The Society's financial position and its ability to deliver its charitable aims in the wake of a disappointing show were, however, preserved by developing new opportunities. Government and other agencies that have key messages to deliver to rural business communities frequently choose to build strategic alliances with others who are expert at delivering information, something for which the Society has an excellent reputation and brand.

During the financial year a number of grants were received to help showcase opportunities for farmers and rural businesses in areas such as renewable energy, e-commerce and re-use of redundant and traditional farm buildings. There will be further emphasis on developing these alliances in coming years, providing a useful service to others while at the same time enhancing our social and fiscal balance sheet.

The directors wish to record their appreciation for the continued support of the dedicated staff and the many volunteers who take an active part in the organisation of events.

## **FINANCIAL REVIEW**

The unrestricted group net outgoing resources for the year were £75,312 (2004: outgoing, £133,039). The main reason for the 2005 net outgoing resources was very poor weather during the main show. There were net group restricted incoming resources of £115,114 arising largely from grants totalling £98,150 towards the Edmund Rack Pavilion heating system (2004: net restricted incoming resources, £88,522).

The Trading Company continues to make a crucial contribution to the Society's finances with a surplus for the year of £323,353 (2004: £330,009). These amounts are included in the group figures above.

After taking account of the net gain on investment assets of £10,459 (2004: £3,038) there was a net group movement in funds for the year of £50,261 (2004: deficit, £41,479).

Group net current liabilities increased slightly from £181,583 at 31 October 2004 to £217,030 at 31 October 2005. There was an on-going investment in the infrastructure of the company with capital expenditure of £245,288 (2004: £143,445).

## **GRANTS PAYABLE**

The Company allocates approximately ten percent of its annual surplus plus depreciation for the previous year to a grants fund. Applications are invited from individuals and organisations for support for projects closely allied to the Company's charitable objectives. A grants committee, which meets as necessary during the year, oversees the allocation of grants.

**THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 OCTOBER 2005 (CONTINUED)**

**INVESTMENT POLICY**

The Company may invest surplus cash resources in any investments, securities or property as may be thought fit. Day to day management of the portfolio of investments is delegated to the investment managers who are instructed to invest with a view to maximising capital growth considering medium risk. The directors regularly review the portfolio valuation.

**RESERVES**

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

	2005 £	2004 £
Total Group Reserves	2,130,190	2,079,929
Less: Restricted Funds	(221,165)	(111,526)
Designated Funds	(25,786)	(23,315)
Fixed Assets Used For Charitable Purposes	(2,054,127)	(2,099,082)
	<hr/>	<hr/>
(Deficit) on Free Reserves	(170,888)	(153,994)
	<hr/>	<hr/>

The deficit on free reserves increased during the year from £153,994 in 2004 to £170,888 in 2005. The main show was badly affected by the weather which resulted in a decrease in gate revenue of nearly £100,000 against budget. Tight control was kept on main show and other costs helped by the introduction of the new computerised purchase order system. Budgets for 2006 have been set with tight control on expenditure. The directors are confident of an improvement in free reserves in 2006 but it will take several years to reach the target of £400,000.

**RISK REVIEW**

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

**FIXED ASSETS**

Information relating to the changes in fixed assets is given in Notes 11 and 12 to the financial statements. The directors estimate that the current market value of the freehold land, based on its agricultural value, is in the region of £600,000 compared to its cost included in the financial statements at £208,283.

**THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 OCTOBER 2005 (CONTINUED)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the Group and the incoming resources and application of resources, including the net income or expenditure, of the Group for the year. In preparing those financial statements, the directors are required to:

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

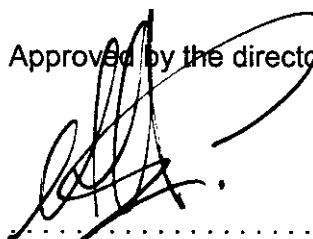
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITOR**

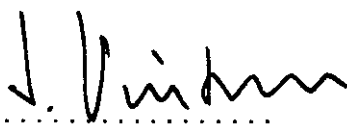
On 28 February 2005 our auditor, Blueprint Audit Limited, changed their name to Tenon Audit Limited and have signed the audit report in their new name.

A resolution to re-appoint Tenon Audit Limited as auditors for the ensuing year will be proposed at the annual general meeting in accordance with Section 385 of the Companies Act 1985.

Approved by the directors on 17<sup>th</sup> JANUARY 2006 and signed on their behalf by



.....  
A R Goode  
Honorary Treasurer



.....  
J Vincent  
Chairman



**INDEPENDENT AUDITOR'S REPORT TO THE**  
**MEMBERS OF THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**FOR THE YEAR ENDED 31 OCTOBER 2005**

We have audited the financial statements of The Royal Bath & West of England Society for the year ended 31 October 2005 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets and related notes. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 THE DIRECTORS AND THE AUDITOR**

As described in the Report of the Directors, the directors of the Company, (who are also its trustees for the purposes of Charity Law), are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' annual report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read other information contained in the Report of the Directors and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**BASIS OF OPINION**

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE**  
**MEMBERS OF THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**FOR THE YEAR ENDED 31 OCTOBER 2005 (CONTINUED)**

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the Company's and Group's affairs as at 31 October 2005 and of the Group's incoming resources and application of resources , including the Group's income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Tenon Audit Limited*

Tenon Audit Limited  
Registered Auditor  
The Old Mill  
Park Road  
Shepton Mallet  
Somerset  
BA4 5BS

.....  
Date

*12/11/06*

**THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 OCTOBER 2005**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
<b>INCOMING RESOURCES (INCOME)</b>					
Donations		5,473	-	5,473	6,678
Activities in Furtherance of the Company's Objects:					
Main Show	3	1,504,428	-	1,504,428	1,499,481
Other Shows and Events	3	285,947	60,827	346,774	224,872
Agricultural Advisory Services	18	-	89,116	89,116	68,617
Grants Received		-	98,150	98,150	96,000
Subscriptions		67,403	-	67,403	69,746
Other		6,458	-	6,458	5,961
Activities for Generating Funds:					
Rents		31,646	-	31,646	16,292
Income of the Trading Subsidiary	4	1,401,392	-	1,401,392	1,237,186
Investment Income	5	4,658	-	4,658	4,879
Net Gain on Disposal of Tangible Fixed Assets		-	-	-	460
<b>TOTAL INCOMING RESOURCES</b>		<b>3,307,405</b>	<b>248,093</b>	<b>3,555,498</b>	<b>3,230,172</b>
<b>RESOURCES EXPENDED (EXPENDITURE)</b>					
Cost of Generating Funds:					
Expenditure of Trading Subsidiary	4	948,039	-	948,039	787,177
Investment Management Fees		483	-	483	459
		<b>948,522</b>	<b>-</b>	<b>948,522</b>	<b>787,636</b>

**THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 OCTOBER 2005 (CONTINUED)**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
<b>CHARITABLE EXPENDITURE</b>					
Grants Payable in Furtherance of the Company's Objects		11,529	1,210	12,739	28,863
Cost of Activities in Furtherance of the Company's Objects:					
Main Show	3	829,435	-	829,435	909,818
Other Shows and Events	3	230,854	60,827	291,681	154,414
Agricultural Advisory Services	18	-	70,942	70,942	73,650
Support Costs	7	1,295,511	-	1,295,511	1,259,530
Management and Administration Costs	8	66,866	-	66,866	60,778
Total Charitable Expenditure		2,434,195	132,979	2,567,174	2,487,053
<b>TOTAL RESOURCES EXPENDED</b>	6	3,382,717	132,979	3,515,696	3,274,689
<b>NET INCOMING/(OUTGOING) RESOURCES (INCOME/(EXPENDITURE))</b>		(75,312)	115,114	39,802	(44,517)
Net Gain on Investment Assets		10,459	-	10,459	3,038
<b>NET MOVEMENT IN FUNDS BEFORE TRANSFERS</b>		(64,853)	115,114	50,261	(41,479)
TRANSFERS	18	5,475	(5,475)	-	-
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		(59,378)	109,639	50,261	(41,479)
Fund Balances Brought Forward		1,968,403	111,526	2,079,929	2,121,408
Fund Balances Carried Forward		1,909,025	221,165	2,130,190	2,079,929

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises the net incoming resources for the year of £39,802 (2004: outgoing £44,517) plus realised gains on investments of £365 (2004: £718).

The notes on pages 6 to 20 form an integral part of these financial statements.

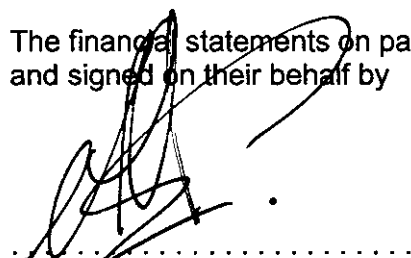
**THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**CONSOLIDATED AND COMPANY BALANCE SHEETS**  
**AS AT 31 OCTOBER 2005**

	Note	Group 2005 £	Group 2004 £	Company 2005 £	Company 2004 £
<b>FIXED ASSETS</b>					
Tangible Assets	11	2,248,277	2,195,082	2,248,277	2,195,082
Investments	12	108,992	94,887	108,994	94,889
		<hr/>	<hr/>	<hr/>	<hr/>
		2,357,269	2,289,969	2,357,271	2,289,971
<b>CURRENT ASSETS</b>					
Stock	13	53,806	47,362	50,440	45,019
Debtors	14	392,664	181,074	247,006	200,138
Cash at Bank and in Hand		15,819	143,726	565	1,277
		<hr/>	<hr/>	<hr/>	<hr/>
		462,289	372,162	298,011	246,434
<b>CREDITORS: Amounts Falling Due Within One Year</b>					
Bank Overdraft		(199,838)	(209,640)	(199,838)	(209,640)
Other	15	(478,395)	(342,236)	(315,203)	(218,377)
		<hr/>	<hr/>	<hr/>	<hr/>
		(678,233)	(551,876)	(515,041)	(428,017)
<b>NET CURRENT LIABILITIES</b>					
		<hr/>	<hr/>	<hr/>	<hr/>
		(215,944)	(179,714)	(217,030)	(181,583)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<hr/>	<hr/>	<hr/>	<hr/>
		2,141,325	2,110,255	2,140,241	2,108,388
<b>CREDITORS: Amounts Falling Due After More Than One Year</b>					
Subscription and Trade Stands	16	(11,135)	(24,341)	(10,851)	(23,274)
Hire Purchase Agreements	17	-	(5,985)	-	(5,985)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET ASSETS</b>		<hr/>	<hr/>	<hr/>	<hr/>
		2,130,190	2,079,929	2,129,390	2,079,129

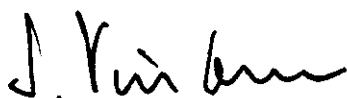
**THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**CONSOLIDATED AND COMPANY BALANCE SHEETS**  
**AS AT 31 OCTOBER 2005 (CONTINUED)**

	Note	Group 2005 £	Group 2004 £	Company 2005 £	Company 2004 £
<b>FUNDS</b>					
<b>Unrestricted Funds</b>					
General Funds	18	1,879,992	1,955,280	1,879,992	1,955,280
Revaluation Reserve	18	2,447	(10,992)	2,447	(10,992)
Non Charitable Trading Funds	18	800	800	-	-
Designated Funds	18	25,786	23,315	25,786	23,315
		<hr/>	<hr/>	<hr/>	<hr/>
		1,909,025	1,968,403	1,908,225	1,967,603
<b>Restricted Funds</b>					
	18	221,165	111,526	221,165	111,526
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>		2,130,190	2,079,929	2,129,390	2,079,129
		<hr/>	<hr/>	<hr/>	<hr/>

The financial statements on pages 4 to 20 were approved by the directors on 17<sup>th</sup> JANUARY 2006 and signed on their behalf by



A R Goode  
Honorary Treasurer



J Vincent  
Chairman

The notes on pages 6 to 20 form an integral part of these financial statements.

**THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2005**

**1. COMPANY STATUS**

The Company is a registered charity and a Company Limited by Guarantee, without share capital. The guarantors are the council members to the extent of £1 each. There were 128 (2004: 130) members at the balance sheet date.

**2. ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared in accordance with the historical cost convention (as modified for the revaluation of fixed asset investments) applicable accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) and the Companies Act 1985. The principal accounting policies which have been adopted on a consistent basis within that convention are set out below.

The Company has taken advantage of Paragraph 3 (3) of Schedule 4 of the Companies Act 1985 and adapted the Companies Act formats to reflect the special nature of the Company's activities. No separate statement of financial activities has been presented for the Company alone as permitted by Section 230 of the Companies Act 1985 and paragraph 304 of the SORP.

**Group Financial Statements**

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

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

**Incoming Resources**

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

Life subscriptions are received and credited to the statement of financial activities on a straight line basis over fifteen years. The balance of life subscriptions received and trade stand income relating to future years is shown as deferred income.

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

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

**Resources Expended**

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

Where an item of expenditure falls directly within one cost category it is attributed to that category only. Where expenditure involves more than one category it is apportioned based on staff time or the floor area as appropriate.

**THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2005 (CONTINUED)**

**2. ACCOUNTING POLICIES (CONTINUED)**

**Resources Expended (Continued)**

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 year in which they are payable.

Support costs are those costs incurred directly in support of expenditure on the objects of the Company. Management and administration costs are those incurred in connection with the administration of the Company and compliance with constitutional and statutory requirements.

**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 year were as follows:-

Showground Buildings	- Timber and Concrete	10%
	- Edmund Rack Pavilion	4%
	- Other Buildings	2%
Improvements	- Over the Remaining Life of the Building	
	- Other Assets	10%
Plants and Implements		10 - 25%
Office Furniture and Fixtures		25%
Motor Vehicles		25%

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

**Investments**

Investments are stated at their market value at the year end. Income is credited to the statement of financial activities when receivable. Realised and Unrealised gains and losses on investments are included within the statement of financial activities. Investments in subsidiary undertakings are included at cost.

**Stocks**

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



**THE ROYAL BATH & WEST OF ENGLAND SOCIETY**  
**(COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2005 (CONTINUED)**

**2. ACCOUNTING POLICIES (CONTINUED)**

**Pension Costs**

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

**Operating Leases**

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

**Hire Purchase Agreements**

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

**Fund Accounting**

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

The revaluation reserve is required by the Companies Act 1985 and represents the amount by which investments exceed their historical cost.

The non-charitable trading funds are the funds of the subsidiary company, The Bath and West Trading Company 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 used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund is set out in the notes.

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**3. ANALYSIS OF COMPANY'S MAIN SHOW AND OTHER SHOW EVENTS**

	2005 Income £	2005 Expenditure £	2005 Gross Margin £	2004 Gross Margin £
Main Show	1,504,428	829,435	674,993	589,663
	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted				
Dairy Show	163,401	87,944	75,457	71,362
Conferences	4,045	2,712	1,333	(3,833)
Horse Trials	72,381	73,197	(816)	2,929
Society Ball	18,984	16,735	2,249	-
Special Projects	27,136	18,340	8,796	-
Virtual Showground	-	31,926	(31,926)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	285,947	230,854	55,093	70,458
	<hr/>	<hr/>	<hr/>	<hr/>
Restricted				
Special Projects	27,000	27,000	-	-
Virtual Showground	33,827	33,827	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	60,827	60,827	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Shows and Events	346,774	291,681	55,093	70,458
	<hr/>	<hr/>	<hr/>	<hr/>

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**4. TRADING SUBSIDIARY**

The Company has a wholly owned trading subsidiary, The Bath and West Trading Co Limited (Registered Company Number 2891950), which was incorporated in England. The Bath and West Trading Co Limited carries on the non primary charitable purpose trading activities namely the commercial organisation of events and provision of catering services. Financial statements have been filed with the Registrar of Companies.

A summary of its results is shown below:

	2005 £	2004 £
Turnover	1,399,765	1,236,092
Cost of Sales	(818,078)	(673,331)
	<hr/>	<hr/>
Gross Profit	581,687	562,761
Administrative Expenses (excluding rents payable to parent company)	(129,961)	(113,846)
Interest Receivable	1,627	1,094
	<hr/>	<hr/>
Profit on Ordinary Activities Before Rent	453,353	450,009
Rent Due to the Royal Bath and West of England Society (eliminated on consolidation)	(130,000)	(120,000)
	<hr/>	<hr/>
Surplus Donated to Parent Company by Gift Aid	323,353	330,009
	<hr/>	<hr/>
The aggregate of the assets, liabilities and funds were:		
Assets	188,341	213,740
Liabilities	(187,539)	(212,938)
	<hr/>	<hr/>
	802	802
	<hr/>	<hr/>

Funds represent 2 ordinary shares of £1 each (2004: £2) and the balance on the profit and loss account of £800 (2004: £800).

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**5. INVESTMENT INCOME**

	2005 £	2004 £
Interest Receivable	663	1,630
Dividends Receivable from UK Equity Shares	3,995	3,249
	<hr/> 4,658	<hr/> 4,879

**6. TOTAL RESOURCES EXPENDED**

	Staff Costs £	Other Direct Costs £	Deprec- iation £	Total 2005 £	Total 2004 £
Expenditure of Trading					
Subsidiary	166,676	781,363	-	948,039	787,177
Investment Management Fees	-	483	-	483	459
Grants Payable	-	12,739	-	12,739	28,863
Main Show	7,215	822,220	-	829,435	909,818
Other Shows and Events	-	291,681	-	291,681	154,414
Agricultural Advisory Services	47,606	23,336	-	70,942	73,650
Support Costs	556,100	547,318	192,093	1,295,511	1,259,530
Management and Administration Costs	57,481	9,385	-	66,866	60,778
	<hr/> 835,078	<hr/> 2,488,525	<hr/> 192,093	<hr/> 3,515,696	<hr/> 3,274,689

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**7. SUPPORT COSTS**

	2005 £	2004 £
Wages and Salaries	555,488	505,306
Rates, Insurance and Power	162,499	126,612
Repairs and Planned Maintenance	136,300	152,085
Postage, Printing and Stationery and Telephone	74,682	80,033
Travel and Transport	25,091	33,624
Training and Health and Safety	14,851	17,241
Depreciation	192,093	184,529
Operating Lease Rentals	19,835	18,170
Hire Purchase Interest	584	1,067
Bank Interest	6,327	9,564
Bank Charges	16,196	12,100
Legal and Professional	16,966	16,739
Computer Consultancy and Software	26,114	35,876
Staff Recruitment	-	15,637
Showground Security	9,990	10,656
Affiliations and Donations	6,260	6,260
Showground Features	-	9,470
Student Placement	15,421	7,215
Marketing	4,478	-
Miscellaneous	12,336	17,346
	<hr/> 1,295,511	<hr/> 1,259,530

**8. MANAGEMENT AND ADMINISTRATION COSTS**

	2005 £	2004 £
Wages and Salaries	57,481	49,680
Office Costs	2,635	2,363
Directors' Liability Insurance	1,250	3,585
Audit	5,500	5,150
	<hr/> 66,866	<hr/> 60,778

In addition included within the administrative expenses of the trading subsidiary as disclosed in note 4 are audit fees of £3,830 (2004: £3,650).

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9. STAFF COSTS	Group 2005 £	Group 2004 £	Company 2005 £	Company 2004 £
Wages and Salaries	725,592	683,476	570,330	527,629
Employer's National Insurance	70,799	66,817	59,385	55,231
Pension Costs	38,687	36,133	38,687	36,133
	<hr/>	<hr/>	<hr/>	<hr/>
	835,078	786,426	668,402	618,993
	<hr/>	<hr/>	<hr/>	<hr/>
The average number of employees was:	Group 2005	Group 2004	Company 2005	Company 2004
Cost of Generating Funds	7	6	-	-
Charitable Activities	26	27	26	27
Management and Administration	4	4	4	4
	<hr/>	<hr/>	<hr/>	<hr/>
	37	37	30	31
	<hr/>	<hr/>	<hr/>	<hr/>

One member of staff had emoluments, excluding pension contributions, within the band £70,001 - £80,000 (2004: one). The contributions for the provision of retirement benefits under a money purchase pension scheme for staff within this band were £7,707 (2004: £7,463).

No remuneration or expenses were paid to the directors (2004: £nil).

During 2004 the company paid £3,130 to the wife of director E W White for services undertaken in the sponsorship department (2005: £nil) and in 2004 the daughter of director J R Speid-Soote was paid £3,478 for services undertaken in the entries department (2005: £nil). Charity Commission approval was sought and given before either of these transactions was undertaken. During 2004 two directors (E W White and T R N Walford) attended a Royal Agricultural Society of the Commonwealth conference in Australia on the Power of Waters. The total cost to the Society of their attendances at this conference was £2,000 (2005: £nil).

There was directors' and officers' liability insurance totalling £2 million (2004: £2 million). The premium charged in the financial statements for this cover is £1,250 (2004: £3,585). This cover was cancelled at the end of January 2005.

#### 10. TAXATION STATUS

The Company is exempt from taxation due to its charitable status.

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**11. TANGIBLE FIXED ASSETS**  
**GROUP AND COMPANY**

	Freehold Land £	Freehold Showground Buildings & Improvements £	Plant & Implements Office Furniture & Fixtures £	Motor Vehicles £	Total £
<b>COST</b>					
As at 1 November 2004	208,283	3,660,313	606,584	15,449	4,490,629
Additions	-	230,922	4,366	10,000	245,288
As at 31 October 2005	208,283	3,891,235	610,950	25,449	4,735,917
<b>DEPRECIATION</b>					
As at 1 November 2004	-	1,812,585	471,388	11,574	2,295,547
Charge for the Year	-	153,056	37,412	1,625	192,093
As at 31 October 2005	-	1,965,641	508,800	13,199	2,487,640
<b>NET BOOK VALUE</b>					
As at 31 October 2005	208,283	1,925,594	102,150	12,250	2,248,277
As at 31 October 2004	208,283	1,847,728	135,196	3,875	2,195,082

The net book value at 31 October 2005 represents fixed assets used entirely for charitable purposes. The Company, over a considerable number of years, acquired assets by way of donations. The directors consider it impractical to obtain reasonable estimates of their original cost and so have not capitalised such items. The items involved are cups and trophies together with paintings and other articles of value which have a combined insurance valuation of £266,100 (2004: £266,100). The Company also has a specialist library which is held at Bath University and is valued in the region of £81,000 (2004: £78,600).

Tangible fixed assets included assets with a cost of £33,828 (2004: £33,828) and a net book value of £16,194 (2004: £21,593) in respect of assets held under hire purchase agreements. The depreciation charged to the Financial Statements in the year in respect of such assets amounted to £5,399 (2004: £7,197).

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**12. FIXED ASSET INVESTMENTS**

	2005 £	2004 £
<b>Group</b>		
Market Value Brought Forward	89,082	85,669
Additions	9,082	4,730
Sale Proceeds from Disposals	(5,716)	(4,355)
Realised Gain	365	718
Unrealised Appreciation	10,094	2,320
	<hr/>	<hr/>
Market Value Carried Forward	102,907	89,082
Cash held in Investment Portfolio	6,085	5,805
	<hr/>	<hr/>
Market Value Carried Forward	108,992	94,887
	<hr/>	<hr/>
Historical Value Carried Forward	106,545	105,887
	<hr/>	<hr/>

£93,128 (2004: £86,465) of the market value of investments is represented by UK listed equities.

Share holdings which individually represent more than 5% of the Company's Investments are:

No. of Shares	Investments	Market Value £
1,200	Unilever plc £0.014 Ordinary Shares	6,876
750	Glaxo SmithKline £0.25 Ordinary Shares	11,018
2,200	BP plc \$0.25 Ordinary Shares	13,728
5,040	Legal and General £0.025 Ordinary Shares	5,405
1,475	Lloyds TSB Group £0.25 Ordinary Shares	6,815
3,375	Centrica £0.0617 Ordinary Shares	8,058
850	Great Universal Stores £0.25 Ordinary Shares	7,161
8,000	Old Mutual Fund Managers Ltd	7,040
4,000	Liontrust Investment Funds Ltd	6,428
2,000	First State Asia Pacific	5,341

**Company**

Investments held by the Company also include an additional £2 (2004: £2) investment in the subsidiary company at cost (see note 4).

**Subsidiary Company**

The Bath & West Trading Co Limited has a wholly owned subsidiary, Westex Events Limited (Registered Company Number 3039130). The Company is registered in England and its principal activity is the commercial organisation of events but has not traded since its incorporation. The Royal Bath and West of England Society has a 100% indirect interest in the company.



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**13. STOCKS**

	<b>Group 2005 £</b>	<b>Group 2004 £</b>	<b>Company 2005 £</b>	<b>Company 2004 £</b>
Consumables	53,806	47,362	50,440	45,019

**14. DEBTORS**

	<b>Group 2005 £</b>	<b>Group 2004 £</b>	<b>Company 2005 £</b>	<b>Company 2004 £</b>
Trade Debtors	286,128	106,264	129,682	41,319
Amounts due from Group Undertakings	-	-	24,060	88,009
Other Debtors	26,521	11,149	13,249	7,149
Prepayments	80,015	63,661	80,015	63,661
	<b>392,664</b>	<b>181,074</b>	<b>247,006</b>	<b>200,138</b>

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

	<b>Group 2005 £</b>	<b>Group 2004 £</b>	<b>Company 2005 £</b>	<b>Company 2004 £</b>
Horse Trial Loan	7,500	7,500	7,500	7,500
Trade Creditors	359,370	236,444	242,646	137,753
Other Taxation and Social Security	61,777	43,413	19,852	22,679
Amounts due under Hire Purchase				
Agreements (Note 16)	6,569	8,028	6,569	8,028
Accruals	23,818	28,972	20,059	25,322
Deferred Income (Note 17)	19,361	17,879	18,577	17,095
	<b>478,395</b>	<b>342,236</b>	<b>315,203</b>	<b>218,377</b>

**16. OBLIGATIONS UNDER HIRE PURCHASE AGREEMENTS**

	<b>Group 2005 £</b>	<b>Group 2004 £</b>	<b>Company 2005 £</b>	<b>Company 2004 £</b>
Total Creditor Due	6,569	14,013	6,569	14,013
Shown as:				
Due within 1 year (Note 15)	6,569	8,028	6,569	8,028
Due within 2 to 5 years	-	5,985	-	5,985
	<b>6,569</b>	<b>14,013</b>	<b>6,569</b>	<b>14,013</b>

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**17. DEFERRED INCOME**

	<b>Group 2005 £</b>	<b>Group 2004 £</b>	<b>Company 2005 £</b>	<b>Company 2004 £</b>
Balance brought forward	42,220	53,363	40,369	50,728
Subscriptions and Trade Stands Income Received	849,966	779,275	658,377	611,916
Released to Statement of Financial Activities	(861,690)	(790,418)	(669,318)	(622,275)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance carried forward	30,496	42,220	29,428	40,369
	<hr/>	<hr/>	<hr/>	<hr/>

Subscriptions and Trade Stands income will be applied as follows:

	<b>Group 2005 £</b>	<b>Group 2004 £</b>	<b>Company 2005 £</b>	<b>Company 2004 £</b>
Within 1 year	19,361	17,879	18,577	17,095
Within 2 to 5 years	6,813	20,113	7,565	19,046
After 5 years	4,322	4,228	3,286	4,228
	<hr/>	<hr/>	<hr/>	<hr/>
	30,496	42,220	29,428	40,369
	<hr/>	<hr/>	<hr/>	<hr/>

**18. STATEMENT OF FUNDS**

<b>GROUP</b>	<b>As at 1 November 2004 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Investment Gains £</b>	<b>Transfers £</b>	<b>As at 31 October 2005 £</b>
General Funds	1,955,280	1,906,013	(2,423,149)	365	441,483	1,879,992
Revaluation Reserve	(10,992)	-	-	10,094	3,345	2,447
Non Charitable Trading Funds	800	1,401,392	(948,039)	-	(453,353)	800
Designated Funds: Bath & West Grants	23,315	-	(11,529)	-	14,000	25,786
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted Funds	1,968,403	3,307,405	(3,382,717)	10,459	5,475	1,909,025
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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**FOR THE YEAR ENDED 31 OCTOBER 2005 (CONTINUED)**

**18. STATEMENT OF FUNDS (CONTINUED)**  
**GROUP**

	As at 1 November 2004 £	Income £	Expenditure £	Investment Gains £	Transfers £	As at 31 October 2005 £
Restricted Funds:						
SAAS and DAAS	14,316	89,116	(70,942)	-	(5,475)	27,015
The Bishop Henderson Appeal Fund	1,210	-	(1,210)	-	-	-
New Wine Trust	96,000	-	-	-	-	96,000
Edmund Rack Pavilion Heating System	-	98,150	-	-	-	98,150
Economic Impact Assessment	-	27,000	(27,000)	-	-	-
Virtual Showground	-	33,827	(33,827)	-	-	-
<b>Total Restricted Funds</b>	<b>111,526</b>	<b>248,093</b>	<b>(132,979)</b>	<b>-</b>	<b>(5,475)</b>	<b>221,165</b>
<b>Total Funds</b>	<b>2,079,929</b>	<b>3,555,498</b>	<b>(3,515,696)</b>	<b>10,459</b>	<b>-</b>	<b>2,130,190</b>

**Designated Funds**

**Bath and West Grants**

During the year £14,000 was designated to this fund (2004: £26,100). The fund is used to fund the scholars' travel costs to support agriculture and allied industries. The fund also covers the costs of administering the scholarship awards made by the Company. Awards are made to candidates selected from applications received.

The fund provides support for projects carried on by third parties which are identified as coming within the Company's charitable objectives.

**Restricted Funds**

**SAAS and DAAS**

The Company provides the Somerset Agricultural Advisory Service (SAAS) and the Dorset Agricultural Advisory Service (DAAS). The service offers free, impartial and confidential general advice and a signposting service for farmers and land based industries. SAAS ceased in April 2005 and it was agreed that the remaining funds could be transferred to the general funds of the Company.

**The Bishop Henderson Appeal Fund**

The fund was set up to assist a nominated school from the Diocese of Bath and Wells to visit the Main Show. During the year, it was agreed with the trustees of the Bishop Henderson Appeal Fund that this fund could now be used towards supporting educational purposes during the Main Show.

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

**New Wine Trust**

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

**Edmund Rack Pavilion Heating System**

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

**Economic Impact Assessment**

A grant was received from the South West Regional Development Agency in order that an Economic Impact Assessment could be commissioned.

**Virtual Showground**

A grant was received from the Department for Environment Food and Rural Affairs to assist towards the costs of setting up a Virtual Showground.

**COMPANY**

The net movement of funds for the Company is a surplus of £50,261 (2004: loss £41,479). Total funds brought forward were £2,079,129 (2004: £2,120,608). Total funds carried forward were £2,129,390 (2004: £2,079,129).

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

	General Funds (including Revaluation Reserve) £	Designated Funds £	Restricted Funds £	Total £
Fund balances at 31 October 2005 are Represented by:				
Tangible Fixed Assets	2,054,127	-	194,150	2,248,277
Investments	108,992	-	-	108,992
Other (Liabilities)/Assets	(279,880)	25,786	27,015	(227,079)
	<hr/>	<hr/>	<hr/>	<hr/>
	1,883,239	25,786	221,165	2,130,190
	<hr/>	<hr/>	<hr/>	<hr/>

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

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**20. FINANCIAL COMMITMENTS**

**Capital**

At 31 October 2005 the group had £8,000 authorised and contracted capital commitments (2004: £nil).

**Obligations under Non-cancellable Leases**

At 31 October 2005 the group has annual commitments under non-cancellable leases for equipment as follows:

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Expiry Date:		
Within 1 year	2,232	2,232
2 to 5 years	20,061	19,867
Over 5 years	3,992	3,992
	<hr/>	<hr/>
	26,285	26,091
	<hr/>	<hr/>