

**THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY
LIMITED**

FINANCIAL STATEMENTS

FOR

31 OCTOBER 2008



SATURDAY



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14/03/2009

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COMPANIES HOUSE

**Company Registration Number 03146325
Charity Number 1067224**

ARMSTRONG WATSON

**Chartered Accountants & Registered Auditors
48 Stramongate
Kendal
Cumbria
LA9 4BD**

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED**REFERENCE AND ADMINISTRATIVE INFORMATION****The trustees**

Mr J.A. Geldard
Mr B.E. Ellis
Mr S. Procter
Mr J.A. Dixon
Mr R.H. Mason
Mr J.C. Mason
Mr A. Duckett
Mr D. Lawrence
Mrs D.M. Galbraith
Mr J. Stott
Mrs J.M. Buckley
Mr C. D. Geldard
Mr M.H. Robinson
Mr M.G. Capstick
Mr J. Bland
Mr D.W. Knowles
Mr R. Waller
Mr D.R. Galbraith
Mr W.H. Robinson
Mr N.A. Sharp

The following are the trustees of the land: -

Mr B.E. Ellis
Mr W.H. Robinson
Mr J.A. Geldard
Mr A. Duckett

**Chief executive and
company secretary**

Mrs C. A. Knipe

Registered office

Lane Farm
Crooklands
Milnthorpe
Cumbria
LA7 7NH

Charity name and number

The Westmorland County Agricultural
Society Limited
1067224

Auditors

Armstrong Watson
Chartered Accountants & Registered Auditors
48 Stramongate
Kendal
Cumbria
LA9 4BD

Solicitors

Hayton Winkley
28 Crescent Road
Windermere
Cumbria
LA23 1BJ

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 OCTOBER 2008

The trustees (also directors for the purposes of the Companies Act) present their report together with the financial statements of the charity for the year ended 31 October 2008.

STRUCTURE, MANAGEMENT AND GOVERNANCE

Governing Document

Westmorland County Agricultural Society is a private charitable company limited by guarantee, not having share capital, under the Companies Act 1985. The society was registered as a charity on the 10th January 1964; its registration number is 1067224 and the company number is 3146325.

The charitable company was formed under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Membership of the Society is open to anyone who has completed the appropriate form and paid the subscription due annually. Any person desiring to become a voting member of the Society shall be nominated by a member, with the application accepted or rejected by the Management Committee. Members elect the Management Committee, in accordance with the Memorandum and Articles of Association, at the Annual General Meeting. Members are elected to serve on the Management Committee for a period of 3 years.

Appointment of Trustees

Under the Articles of Association the Members of the Board of Directors (referred to as the Planning and Development Committee) are the Charity Trustees and Company Directors. The Board of Directors consists of the following:

- The Chairman and Vice-Chairman of the Management Committee, the Showfield Director and Treasurer, who shall be elected by the members present at the Annual General Meeting and
- not more than sixteen and not less than eight members of the Management Committee, who are elected to serve a period of 3 years by the Management Committee.

Trustees' Induction and Training

All trustees are familiar with the work of the charity and regularly attend meetings of the Board.

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes and recent financial performance of the charity. Trustees are encouraged to attend external training events appropriate to their role.

Organisational Structure

The Management Committee have ultimate control over the management and operation of the Society and meet on a regular basis, currently quarterly. However, the Board of Directors, as advised by the Management Committee, are responsible for the management and administration of the Society's funds and assets and the maintenance and development of the Society's land and property, and for the organisation and management of shows and activities within the objects of the Society and according to the general policy of the Society. The Board of Directors meet on a regular basis, currently six times per year.

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED

TRUSTEES' ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 OCTOBER 2008

In accordance with the Memorandum and Articles of Association the Management Committee may establish other committees for specific purposes. During the year the following such committees operated, reporting as appropriate to the Board of Directors and on to the Management Committee:

The Rural Links Committee, the Sheep Committee, the Cattle Committee, the Light Horse Committee, the Food Hall Committee, the Gateway and Development Committee and the Chris Lambert Bursary Committee.

The trustees employ a Chief Executive to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive has delegated authority for operational matters, including finance, and is supported by a permanent staff.

Risk Management Statement

The trustees have carried out a risk reduction assessment of the operational risks associated with the charity. In addition, reviews of both the operational and financial risks are ongoing. These involve identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the trustees review the adequacy of the charity's current internal controls.

OBJECTIVES AND ACTIVITIES

To promote and improve agriculture, horticulture, allied industries, rural crafts, the breeding of livestock, forestry and conservation and in particular in the old county of Westmorland and those parts of adjoining counties which are within a fifty five mile radius of Lane Farm, Crooklands, Milnthorpe, Cumbria.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

A review of the society's developments, activities and achievements is included in the attached Chief Executive's Annual Report.

FINANCIAL REVIEW

Review of charity's financial position

The charity adopts strict procedures in monitoring its accounts on a regular basis. However, despite overall sound financial management and the significant support of its staff and volunteers, a negative financial outcome for the year has nevertheless been generated. The principal reasons are considered to be two fold:

- i) additional infrastructure required to cope with wet weather conditions surrounding the Show resulted in increased operating costs
- ii) the wider financial situation resulted in a significant decrease in the valuation of investments

The net decrease of funds is £517,349. Prior to adjustments of net losses on revaluation of investments, the net decrease is £34,140.

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED

TRUSTEES' ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 OCTOBER 2008

Reserves policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately two years' costs for the annual show. This provides sufficient funds to cover management, administration and support costs in the event of adverse conditions beyond the Society's control. Unrestricted funds were maintained at this level throughout the year. In addition, income generating investments are being maintained to permit the Society to fund the activities it decides to pursue in accordance with its charitable purpose.

Investment policy

The trustees have approved an investment policy that aims to maintain the real value of capital and income whilst achieving a favorable return. Restrictions are in place that assists the charity in minimizing its risk.

PLANS FOR FUTURE PERIODS

The charity plans to continue existing activities in the forthcoming years in pursuance of its aims and objectives:

- Maintain and develop the annual Westmorland County Show, whilst retaining the agricultural emphasis.
- Maximise the revenue for the Society's assets whilst maintaining support for agriculturally related projects.
- Maintain and develop links with the educational sector.
- Remain a partner in the Gateway Project development.

THE TRUSTEES

The trustees who served the charity during the year were as follows:

Mr J.A. Geldard
 Mr B.E. Ellis
 Mr S. Procter
 Mr J.A. Dixon
 Mr R.H. Mason
 Mr J.C. Mason
 Mr A. Duckett
 Mrs D.M. Galbraith
 Mr J. Stott
 Mrs. J.M. Buckley
 Mr S.A.M. Rayner (resigned 20 February 2008)
 Mr M.H. Robinson
 Mr M.G. Capstick
 Mr J. Bland
 Mr D.W. Knowles
 Mr R. Waller
 Mr D. Lawrence
 Mr D.R. Galbraith
 Mr W.H. Robinson
 Mr C. D. Geldard (appointed 20 February 2008)
 Mr N. A. Sharp

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED**TRUSTEES' ANNUAL REPORT (CONTINUED)****YEAR ENDED 31 OCTOBER 2008****RESPONSIBILITIES OF THE TRUSTEES'**

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the period and of the surplus or deficiency for the period then ended.

In preparing those financial statements, the trustees are required to select suitable accounting policies, as described on pages 13 to 14, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

In accordance with company law, as the company's directors, we certify that

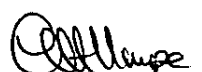
- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice in Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Registered office:

Lane Farm
Crooklands
Milnthorpe
Cumbria
LA7 7NH

Signed by order of the
Trustees



Mrs C. A. Knipe
Company secretary

Approved by the trustees on ...14... February 2009

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED
CHIEF EXECUTIVE'S ANNUAL REPORT
YEAR ENDED 31 OCTOBER 2008

A testing year for us all might be an understatement, but nevertheless 2008 was a year of great achievement too.

The Show season began with uncertainties over livestock classes due to bluetongue restrictions and continued with the wettest summer on record resulting in many events being severely curtailed or cancelled. Without the tireless efforts of so many, that could also have been the case for the County Show. But, tremendous team spirit and a "never-say-die" attitude, along with substantial investment in additional infrastructure, ensured the Show went on. The 209th Westmorland County Show attracted record crowds of 25,500 who witnessed a true agricultural show with all the trimmings – even the sun came out in support!

Following the disappointment of 2007, it was great to see the return of livestock. The cattle section boasted record entries of 440, including new Young Handler classes, Longhorns made a welcome return and the new Red Poll and Highland sections were very well supported. In spite of attracting entries from far afield, local exhibitors triumphed in the sheep section with both sheep championships being awarded to long standing exhibitors. A new competitive Alpaca section and the country's first short-fleece halter show, attracted an amazing 64 entries, and drew excellent crowds throughout the day.

Unfortunately, Show Jumping fell victim to the soft ground, having to be cancelled earlier in the week, but there was still plenty of activity in the Exhibition ring, including magnificent heavy horses, private driving and displays from Stuart Walton's sheepdogs and falconer Terry Large. The Grand Parade made a wonderful return, complete with champion pig and alpacas! Although every horse box had to be pulled onto the field, entries were nevertheless very strong throughout the Light Horse section, which included Veteran classes for the first time. The Sheep Show proved a hit with the crowds as did the Cumbrian Axemen and keen competition in the Cumberland and Westmorland wrestling section resulted in matches being judged on just one fall. For the first time, Border TV broadcast throughout the day and a specially recorded programme can still be viewed on the Country Channel. Westmorland County Show again enjoyed the support of a vast array of sponsors, all of which make a significant contribution to the success of the event. On behalf of the Society, I take this opportunity to thank each and every one for their commendable support.

A downside to the Show's popularity saw the free bus service totally oversubscribed, despite extra buses being added – an area already set to be addressed for next year.

The Society's firm focus on agriculture resulted in a further increase in agricultural trade stands – not the case with most other shows around the country. In turn this brings more farmers and those with an interest in farming, steadily increasing our reputation of being a true agricultural show. Care is needed to maintain and enhance this enviable position.

The well established Silage Competition again increased in popularity and almost 50 Young Farmers took part in the annual Stock Judging event.

The Society remains involved with the Gateway Project and in assisting L & K Auctions to relocate from Kendal. The continued involvement ensures our interests are well represented.

2008 was the Year of Food & Farming and the Society chose to organise an additional Farm Open Day as our contribution towards this important national initiative. What a huge success the Farm to Food Experience Day was! Held at Lawrence House by kind permission of the Mason family, over 500 children along with teachers and helpers from urban schools in Barrow-in-Furness, Morecambe and Huddersfield, gained an insight into life on a working farm. These links are invaluable and it is hoped the project will assist in reconnecting food and farming for the next generation. Cumberland Building Society supported the event, for which the Society is very grateful.

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED

CHIEF EXECUTIVE'S ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 OCTOBER 2008

The Society's tremendous educational work with primary schools was recognised at the BAYER/FACE Awards when Westmorland were announced as the recipient of the Innovative Learning Award. The award is seen as recognition for the commitment given by our huge army of volunteers, without whom the Farm Open Days could not run.

Throughout the year the Society has continued to be at the forefront of the provision of rural training, particularly in the certificates of competence in the Transportation of Live Animals, along with many other subjects as required, including chainsaw, pesticides and trailer handling.

Investment has been made in the property at Lane Farm with an extension added to the front of the main building itself. The two-storey gable-end style extension has provided much-needed additional office space and kitchen facilities as well as an extra meeting room. Apart from providing a much more professional and pleasant environment for the staff and visitors, the conference offering has been much enhanced and all meeting rooms are well used.

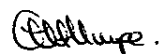
In October, after 7 years, Mrs Lesley Blamire decided to seek a new career. The Society wishes her well and we thank her for her considerable input. We are delighted that Mrs Susan Thomas joined the staff in December and is already responding well to the challenges of working in a very busy environment.

Westmorland's fifth seminar was held in October, the first being in 1991, giving members the valuable opportunity to openly discuss the future in terms of the Society's direction and options for the County Show. A clear list of priorities has been identified, some of which will be actioned over the coming year.

On a personal note, I consider myself fortunate to receive encouragement, help and advice from many people involved with the Society and I appreciate the enormous support of my own family and friends. On behalf of the Society, I would also like to record our sincere thanks to all the members, stewards, volunteers and all involved with the Westmorland's many activities. Without this support our work, and the Show itself, could not be enjoyed by so many.

Together, we are well placed to continue to be a voice for agriculture in Westmorland, Cumbria and beyond. The Society is clearly focused upon the future of the County Show and utilising its assets to ensure a vibrant and well-placed organisation fit for purpose.

Christine Knipe,
Chief Executive



14 February 2009

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
YEAR ENDED 31 OCTOBER 2008

We have audited the financial statements of Westmorland County Agricultural Society Limited for the year ended 31 October 2008 on pages 10 to 20 which comprise a Statement of Financial Activities, Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), 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 charitable 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 charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITORS

As described in the Statement of Trustees' Responsibilities on page 5 the charity's trustees (who also act as Directors for the charitable activities of the company) are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees' Report is consistent with the Financial Statements.

In addition we report to you if, in our opinion the charity 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 charity law regarding trustees' remuneration and transactions with the charity are not disclosed.

We read the Chief Executive's Annual Report and the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatement within it. Our responsibilities do not extend to any other information.

BASIS OF OPINION

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

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
YEAR ENDED 31 OCTOBER 2008

OPINION

In our opinion:

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 October 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and

the financial statements have been properly prepared in accordance with the Companies Act 1985; and

the information given in the Trustees' Annual Report is consistent with the financial statements for the year ended 31st October 2008.

KENDAL

23rd February 2009

ARMSTRONG WATSON
Chartered Accountants
& Registered Auditors



THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 OCTOBER 2008

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2008 £ | Total Funds 2007 £ |
|---|------|----------------------------|--------------------------|--------------------------|--------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated Funds: | | | | | |
| <i>Voluntary income</i> | | | | | |
| Subscriptions | | 9,112 | - | 9,112 | 8,289 |
| <i>Activities for generating funds</i> | | | | | |
| Grazing and land letting, etc | | 45,439 | - | 45,439 | 46,452 |
| Room hire | | 35,976 | - | 35,976 | 28,619 |
| Investment income | | | | | |
| - Investment income | 3 | 72,330 | - | 72,330 | 69,266 |
| - Interest receivable | | 2,496 | - | 2,496 | 1,147 |
| - Gains/(losses) on disposal of fixed asset investments | | 4,807 | - | 4,807 | 19,968 |
| <i>Incoming resources from charitable activities</i> | 2 | 269,393 | - | 269,393 | 298,489 |
| TOTAL INCOMING RESOURCES | | 439,553 | | 439,553 | 472,230 |
| RESOURCES EXPENDED | | | | | |
| <i>Activities for generating funds</i> | | | | | |
| Grazing and land letting, etc | | 22,418 | - | 22,418 | 15,744 |
| Room hire | | 32,953 | - | 32,953 | 29,027 |
| Investment manager fees | | 1,181 | - | 1,181 | 18,137 |
| <i>Charitable activities</i> | | 399,699 | - | 399,699 | 340,856 |
| <i>Governance costs</i> | | 17,442 | - | 17,442 | 15,645 |
| TOTAL RESOURCES EXPENDED | 4 | 473,693 | | 473,693 | 419,409 |
| NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR BEFORE REVALUATIONS | | (34,140) | | (34,140) | 52,821 |

The notes on pages 13 to 20 form part of these financial statements.

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)

YEAR ENDED 31 OCTOBER 2008

| Note | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2008 £ | Total Funds 2007 £ |
|---|----------------------------|--------------------------|--------------------------|--------------------------|
| NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR BEFORE REVALUATIONS | | | | |
| brought forward | (34,140) | - | (34,140) | 52,821 |
| OTHER RECOGNISED GAINS AND LOSSES | | | | |
| Gain/(Loss) on revaluation of Investments | (483,209) | - | (483,209) | 48,247 |
| NET MOVEMENT IN FUNDS RELATING TO THE YEAR | (517,349) | - | (517,349) | 101,068 |
| Balances brought forward | <u>3,901,352</u> | <u>-</u> | <u>3,901,352</u> | <u>3,800,284</u> |
| Balances carried forward | <u>3,384,003</u> | <u>-</u> | <u>3,384,003</u> | <u>3,901,352</u> |

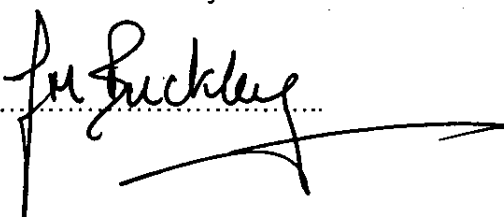
The Statement of Financial Activities (including Income and Expenditure Account) incorporates the Statement of Total Recognised Gains and Losses.
All of the activities of the charity are classed as continuing.

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED**BALANCE SHEET****31 OCTOBER 2008**

| | Note | 31 st October 2008 | | 31 st October 2007 |
|---|------|-------------------------------|------------------|-------------------------------|
| | | £ | £ | £ |
| FIXED ASSETS | | | | |
| Tangible assets | 7 | 1,983,028 | | 1,881,591 |
| Investments | 3 | 1,373,535 | | 1,804,728 |
| | | <u>3,356,563</u> | | <u>3,686,319</u> |
| CURRENT ASSETS | | | | |
| Debtors | 8 | 55,009 | | 49,862 |
| Investments | 9 | 32,010 | | 79,181 |
| Stock | | 1,976 | | 2,208 |
| Cash at bank and in hand | | 52,213 | | 150,043 |
| | | <u>141,208</u> | | <u>281,294</u> |
| CREDITORS: Amounts falling due within one year | 10 | <u>(113,768)</u> | | <u>(66,261)</u> |
| NET CURRENT ASSETS | | | 27,440 | 215,033 |
| NET ASSETS | | | <u>3,384,003</u> | <u>3,901,352</u> |
| FUNDS | | | | |
| Unrestricted: | | | | |
| Designated funds | 11 | 50,846 | | 411,870 |
| Other charitable funds | | 3,333,157 | | 3,489,482 |
| | | <u>3,384,003</u> | | <u>3,901,352</u> |

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the trustees on the 14 February 2009, and are signed on their behalf by:



THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 OCTOBER 2008****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice issued in March 2005.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Capital Grants received specifically to provide fixed assets are recognised in the Statement of Financial Activities as income in the period of entitlement. The trustees have created designated funds for such grants, these are being reduced over the useful economic life of the asset in line with its depreciation.

Fixed asset investment income is credited to the Statement of Financial Activities in the period of receipt. Rental income is included in the accounts on an accruals basis.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Stock

Stock of polystyrene boxes is valued at the lower of cost and net realisable value.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of investment management.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 OCTOBER 2008****1. ACCOUNTING POLICIES** *(continued)*

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | |
|-----------------------|-------------------|
| Freehold Buildings | Over 50 years |
| Plant and Machinery | 20% Straight Line |
| Fixtures and Fittings | 20% Straight Line |
| Motor Vehicles | 25% Straight Line |
| Roads | 20% Straight Line |
| Computer Equipment | 50% Straight Line |

Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

Investment properties are valued at open market value at the balance sheet date.

Fund Accounting

Unrestricted funds are available to use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Board of Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2008

2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2008 £ | Total Funds year ended 31 st Oct 2007 £ |
|----------------------------|----------------------------|--------------------------|--------------------------|---|
| Show income | 185,072 | - | 185,072 | 197,496 |
| Room and office hire | 14,053 | - | 14,053 | 15,220 |
| Vocational training scheme | 48,709 | - | 48,709 | 69,031 |
| Other income | 21,559 | - | 21,559 | 16,742 |
| | <u>269,393</u> | <u>-</u> | <u>269,393</u> | <u>298,489</u> |

3. INVESTMENTS

| | Value 31 st October 2008 £ | Value 31 st October 2007 £ | Income 2008 £ | Income 2007 £ |
|-----------------------|--|--|---------------------|---------------------|
| UK quoted investments | <u>1,373,535</u> | <u>1,804,728</u> | <u>72,330</u> | <u>69,266</u> |

Movement in market value

| | 2008 £ | 2007 £ |
|---|------------------|------------------|
| Market value at 1 November 2007 | 1,804,728 | 1,810,735 |
| Acquisitions at cost | 224,773 | 540,698 |
| Disposals at opening book value | (172,757) | (594,952) |
| Net gains/(losses) on revaluations in the period ended 31 October 2008 | <u>(483,209)</u> | <u>48,247</u> |
| Market value at 31 October 2008 | <u>1,373,535</u> | <u>1,804,728</u> |
| Historical cost at 31 October 2008 | <u>1,507,227</u> | <u>1,453,957</u> |

4. TOTAL RESOURCES EXPENDED

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2008 £ | Total Funds 2007 £ |
|---------------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Activities for generating funds | 56,552 | - | 56,552 | 62,908 |
| Show expenses | 232,603 | - | 232,603 | 171,133 |
| Room hire, courses etc | 54,482 | - | 54,482 | 54,621 |
| Other charitable expenses | 112,614 | - | 112,614 | 115,102 |
| Governance | 17,442 | - | 17,442 | 15,645 |
| | <u>473,693</u> | <u>-</u> | <u>473,693</u> | <u>419,409</u> |

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2008

4. TOTAL RESOURCES EXPENDED (continued)

| | Charitable Activities | | | Governance | Total Funds 2008 | Total Funds 2007 |
|----------------------------------|-----------------------|--------------------------------|----------------|---------------|------------------|------------------|
| | Show £ | Room hire, courses etc £ | Other £ | £ | £ | £ |
| Salaries | 22,000 | 49,586 | 29,810 | 11,924 | 113,320 | 108,565 |
| Office costs | 21,162 | 1,062 | 8,676 | - | 30,900 | 27,387 |
| Subscriptions and donations | - | - | 1,901 | - | 1,901 | 1,068 |
| Legal and professional | - | - | 800 | - | 800 | - |
| Depreciation | - | - | 20,170 | - | 20,170 | 26,748 |
| Rural links | - | - | 5,767 | - | 5,767 | 5,965 |
| C Lambert Bursary | - | - | 1,444 | - | 1,444 | 1,068 |
| Audit and accountancy fees | - | - | - | 4,410 | 4,410 | 4,050 |
| Training | - | - | 935 | - | 935 | 1,129 |
| Showground proposals | - | - | 1,360 | - | 1,360 | 244 |
| Bad debts written off | - | - | - | - | - | 500 |
| Repayment of Charities Aid Grant | - | - | - | - | - | 5,000 |
| Other expenses | 189,441 | 3,834 | 41,751 | 1,108 | 236,134 | 174,777 |
| | <u>232,603</u> | <u>54,482</u> | <u>112,614</u> | <u>17,442</u> | <u>417,141</u> | <u>356,501</u> |

The table above does not include costs in respect of activities for generating funds.

These accounts include accruals in respect of out-of-pocket expenses to be paid to the following trustees:

| | £ |
|-----------------|-------|
| Mrs J M Buckley | 1,000 |
| Mr J C Mason | 500 |
| Mr N A Sharp | 750 |

The aggregate payroll costs were:

| | 2008 £ | 2007 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 125,620 | 119,026 |
| Social security costs | 5,584 | 5,303 |
| | <u>131,204</u> | <u>124,329</u> |

No employee received emoluments of more than £60,000.

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2008

4. TOTAL RESOURCES EXPENDED *(continued)*

Particulars of employees:

The average number of staff employed by the charity during the financial year amounted to:

| | 2008 | 2007 |
|--------------------------------|------|------|
| | No. | No. |
| Number of administrative staff | 4 | 4 |
| Number of IT centre staff | 1 | 1 |

5. NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR

This is stated after charging :-

| | 2008 | 2007 |
|-----------------------|--------|--------|
| | £ | £ |
| Depreciation | 24,068 | 30,834 |
| Auditors remuneration | | |
| - Audit services | 4,410 | 4,050 |

6. TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

7. TANGIBLE FIXED ASSETS

| | Freehold Property £ | Plant & Equip't £ | Fixtures & Fittings £ | Motor Vehicles £ | Investment Property £ | Total £ |
|------------------------|---------------------------|-------------------------|-----------------------------|------------------------|-----------------------------|------------------|
| COST | | | | | | |
| At 1 Nov 2007 | 1,908,228 | 154,911 | 15,037 | 16,228 | 364,712 | 2,459,116 |
| Additions | 103,835 | 9,166 | 12,504 | - | - | 125,505 |
| Disposals | - | - | - | - | - | - |
| At 31 Oct 2008 | <u>2,012,063</u> | <u>164,077</u> | <u>27,541</u> | <u>16,228</u> | <u>364,712</u> | <u>2,584,621</u> |
| DEPRECIATION | | | | | | |
| At 1 Nov 2007 | 378,786 | 146,986 | 14,432 | 16,228 | 21,093 | 577,525 |
| Charge for the year | 17,658 | 5,015 | 1,395 | - | - | 24,068 |
| Disposals | - | - | - | - | - | - |
| At 31 Oct 2008 | <u>396,444</u> | <u>152,001</u> | <u>15,827</u> | <u>16,228</u> | <u>21,093</u> | <u>601,593</u> |
| NET BOOK VALUE | | | | | | |
| At 31 Oct 2008 | <u>1,615,619</u> | <u>12,076</u> | <u>11,714</u> | <u>-</u> | <u>343,619</u> | <u>1,983,028</u> |
| At 31 Oct 2007 | <u>1,529,442</u> | <u>7,925</u> | <u>605</u> | <u>-</u> | <u>343,619</u> | <u>1,881,591</u> |

The investment property was transferred on 1st June 2005 at historical cost. The trustees believe this valuation to be appropriate at the year end as it is on par with open market value.

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2008

8. DEBTORS

| | 2008 | 2007 |
|-----------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 42,193 | 21,048 |
| VAT recoverable | 8,623 | 1,071 |
| Other debtors | - | 25,800 |
| Prepayments | 4,193 | 1,943 |
| | <u>55,009</u> | <u>49,862</u> |

9. INVESTMENTS

| | 2008 | 2007 |
|-------------------------------------|---------------|---------------|
| | £ | £ |
| Stockbroker Dealing Account | 23,093 | 61,145 |
| Stockbroker Income Account | - | 601 |
| Stockbroker Dealing Account-Bursary | 6,570 | 16,723 |
| Stockbroker Income Account-Bursary | 2,347 | 712 |
| | <u>32,010</u> | <u>79,181</u> |

10. CREDITORS: Amounts falling due within one year

| | 2008 | 2007 |
|------------------------------|----------------|---------------|
| | £ | £ |
| Trade creditors | 54,791 | 34,501 |
| PAYE and social security | 5,175 | 4,412 |
| Accruals and deferred income | 53,802 | 27,348 |
| | <u>113,768</u> | <u>66,261</u> |

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2008

11. DESIGNATED FUNDS

| | Movement in resources: | | | |
|--|------------------------|------------------------------------|-----------------------|---------------|
| | Balance at | New designations/ investment | Utilised/ Released | Balance at |
| | 1 Nov 2007 | income | | 31 Oct 2008 |
| | £ | £ | £ | £ |
| Chris Lambert Bursary Fund | 41,070 | 1,761 | (11,498) | 31,333 |
| Farm and Food Business Development and Resource Centre | 20,029 | - | (516) | 19,513 |
| Revaluation Fund | 350,771 | - | (350,771) | - |
| | <u>411,870</u> | <u>1,761</u> | <u>(362,785)</u> | <u>50,846</u> |

In recognition of all Mr Lambert's efforts, particularly his willingness and support in helping others the society have set up the Chris Lambert Bursary Fund. The fund makes awards to successful applicants. The aim of the fund is to encourage, promote and improve agriculture, horticulture, allied industry, rural crafts, livestock breeding and forestry conservation, and to encourage agriculture, horticulture and conservational education and research.

The revaluation fund represented the amount by which investments exceed their historical cost. At the year end the market value of investments held was below their historic cost and hence the deficit has been offset against unrestricted funds.

The remaining designated funds represent incoming resources, given specifically to provide fixed assets, as reduced over the useful economic life of that asset in line with its depreciation.

THE WESTMORLAND COUNTY AGRICULTURAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2008

12. ANALYSIS OF NET ASSETS IN UNRESTRICTED FUNDS

| | General Funds £ | Designated Funds £ | Total Funds £ |
|-------------------------------|-----------------------|--------------------------|------------------|
| Tangible Fixed Assets | 1,963,515 | 19,513 | 1,983,028 |
| Investments | 1,342,202 | 31,333 | 1,373,535 |
| Other Net Assets | 27,440 | - | 27,440 |
| Net assets at 31 October 2008 | <u>3,333,157</u> | <u>50,846</u> | <u>3,384,003</u> |

13. RELATED PARTY TRANSACTIONS

During the period the following trustees were invoiced by the charitable company for grazing and other fees:-

| | 2008 £ | 2007 £ |
|------------------|-----------|-----------|
| Mr J Stott | 250 | 615 |
| Mr J A Geldard | 1,909 | 1,895 |
| Mr S Procter | 70 | 138 |
| Mrs J Buckley | 217 | 530 |
| Mr M G Capstick | 318 | 190 |
| Mr J A Dixon | - | 50 |
| Mr D R Galbraith | - | 183 |
| Mr J Bland | - | 83 |
| Mr W H Robinson | 46 | - |
| Mr B E Ellis | 54 | - |
| Mr D Lawrence | 166 | - |

These fees were charged on an arms length basis.

Other transactions with trustees:-

£4,250 (2007 £2,250) was paid to Mr S Procter and £300 (2007 £600) to Mr M G Capstick in respect of machinery hire during the period.

£337 (2007 £295) was paid to Mr D Knipe, husband of Chief Executive Mrs C A Knipe, in respect of purchase of refreshments.

14. COMPANY LIMITED BY GUARANTEE

The liability of the members is limited. Every member of the society undertakes to contribute to the assets of the society in the event of the same being wound up while he is a member or within one year after he ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding five pounds.