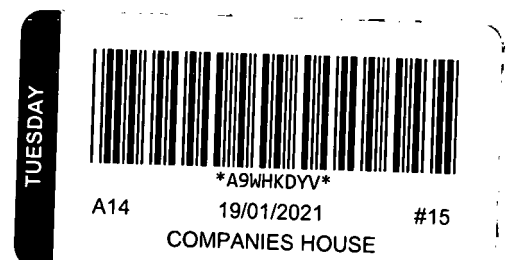


RHS SPECIAL EVENTS LIMITED

Annual Report and Accounts

31 January 2020

Company Number 03119017



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DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements for the year ended 31 January 2020.

Directors

The directors of the Company throughout the year were:

Sir N Bacon
Ms S Biggs

The interests of the directors in the shares of the Company at the beginning and end of the year were as follows:

	At 1 February 2019	At 31 January 2020
Ms S Biggs	1 share	1 share

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company organises gala events for fundraising purposes at the RHS's Chelsea Flower Show and RHS Hampton Court Palace Garden Festival. The Company traded satisfactorily throughout the accounting period.

The accounts for the year ended 31 January 2020 show that turnover was £4.97m (2019: £4.92m). Profit on ordinary activities was £3.64m (2019: £3.62m). The Company pays all its taxable profits to its parent charity, the Royal Horticultural Society under Gift Aid. In 2020 the amount payable was £3.64m (2019: £3.62m).

During the year, the Company made a donation of £75k to the RHS to support funding for key charitable projects (2019: £75k was donated to the RHS to support funding for key charitable projects).

No dividend will be paid for the year (2019: £nil).

Covid-19 and Going Concern

Since the year-end the greatest risk to the Company is that posed by Covid-19 and the associated issues that surround it. These range from the impact on staff health through to operations and trading and in all circumstances we are following Government guidelines. We have reduced staff numbers to only essential staff on site where applicable, always ensuring social distancing and the remaining staff are either working from home or have been furloughed.

The financial impact to the Company from the cancellation of RHS Chelsea gala is significant. For expenditure, we are mitigating this through tight cost control, either by renegotiating, not spending or deferring as well as taking advantage of the Government furlough scheme. It is anticipated that the gala at RHS Hampton Court Palace Festival will go ahead in September 2020. In the wider RHS group we are ensuring that the remaining member elements are still provided through the Garden magazine (securing as much advertising), additional staff within Advisory to cope with increased demand and additional member communication, digital content and virtual shows. The Leadership team maintain a number of financial scenarios ensuring cash flow and available funds are tightly monitored. The going concern scenarios demonstrate that funds are available and if the lock down and restriction on travel continued for a significant period beyond a year, the Society would potentially need to review its operations.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors' report has been prepared in accordance with the exemptions available to small companies under the Companies Act 2006.

By order of the Board



Company Secretary

80 Vincent Square
London SW1P 2PE

Date: 05 May 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RHS SPECIAL EVENTS LIMITED

Opinion

We have audited the financial statements of RHS Special Events Limited for the year ended 31 January 2020 which comprise the Statement of Profit and Loss, Balance Sheet, Statement of Changes in Equity 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 Financial Reporting Standard 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 company's affairs as at 31 January 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 directors are responsible for the 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.

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 our 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the company, 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 directors report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

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 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.

N. Hashemi

Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

15th May 2020

PROFIT AND LOSS

	Notes	2020	2019
		£'000	£'000
TURNOVER	3	4,969	4,923
Cost of Sales		<u>(1,189)</u>	<u>(1,171)</u>
GROSS PROFIT		3,780	3,752
Administrative Expenses		<u>(237)</u>	<u>(228)</u>
OPERATING PROFIT		3,543	3,524
Interest receivable		<u>96</u>	<u>92</u>
PROFIT ON ORDINARY ACTIVITIES		3,639	3,616
Taxation	5	<u>(692)</u>	<u>(687)</u>
PROFIT FOR THE YEAR		<u>2,947</u>	<u>2,929</u>

All recognised gains and losses are included in the profit and loss and statement of changes in equity.

All transactions are derived from continuing activities.

The notes on pages 10-14 form part of the financial statements.

BALANCE SHEET

	Notes	2020		2019	
		£'000	£'000	£'000	£'000
CURRENT ASSETS					
Debtors	7	4,439		3,872	
Cash at bank and in hand		633		620	
		5,072		4,492	
CREDITORS: Amounts falling due within one year					
	8	(5,083)		(4,503)	
NET CURRENT LIABILITIES			(11)		(11)
NET LIABILITIES			(11)		(11)
CAPITAL AND RESERVES					
Called up equity share capital	10	-		-	
Profit and loss account		(11)		(11)	
EQUITY SHAREHOLDERS' FUNDS			(11)		(11)

The notes on pages 10-14 form part of the financial statements.

The financial statements have been prepared and delivered in accordance with the provisions applicable to small companies within part 15 of the Companies Act 2006.

These accounts were approved by the Board and authorised for issue on 05 May 2020.



Sue Biggs
 Director

STATEMENT OF CHANGES IN EQUITY

	Called-up share capital £'000	Profit and Loss account £'000	Total £'000
Balance as at 31 January 2018	-	(11)	(11)
Profit and total comprehensive income for the year	-	2,929	2,929
Donation to the parent charity made under the gift aid scheme	-	(3,616)	(3,616)
Tax relief obtained on gift aid payment	-	687	687
At 31 January 2019	<u>-</u>	<u>(11)</u>	<u>(11)</u>
Balance as at 31 January 2019	-	(11)	(11)
Profit and total comprehensive income for the year	-	2,947	2,929
Donation to the parent charity made under the gift aid scheme	-	(3,639)	(3,616)
Tax relief obtained on gift aid payment	-	692	687
At 31 January 2020	<u>-</u>	<u>(11)</u>	<u>(11)</u>

The notes on pages 10-14 form part of the financial statements.

NOTES TO THE ACCOUNTS

1. COMPANY INFORMATION

RHS Special Events Ltd is a private company limited by shares and is incorporated in England and Wales. The company is registered in England. The company's registered address is 80 Vincent Square, London SW1P 2PE.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

RHS Special Events Ltd is part of a public benefit entity group.

All turnover and operating profit is derived from the provision of goods and services which fall within the company's ordinary activities. Turnover consists entirely of sales made in the United Kingdom.

The financial statements are prepared in sterling.

Under FRS 102 the company is exempt from the requirements to prepare a cash flow statement and disclosure of financial instruments on the grounds it is a qualifying entity due to its parent undertaking (The Royal Horticultural Society) including the company in its published consolidated financial statements, which are available on the RHS website (rhs.org.uk).

The accounting policy in respect of payments made under Gift Aid is set out below.

Going concern

Since the year end the impact of COVID-19 on our operations has been significant with the cancellation of RHS Chelsea Flower Show and the postponement until September of the RHS Hampton Court Palace Flower Festival.

We have prepared a number of scenarios to reflect reduced income, minimised cost base and delayed capital spend that span from a 3 month closure and cancellation to the end of June 2020 through to closure and cancellation until the end of January 2021 re-opening for spring 2021. In all scenarios, the Society has sufficient cash and cash investment reserves to continue to fund the reduced operations and subsidiaries.

In addition to the cash and investments, the Society has unencumbered property assets in Vincent Square, London and residential properties in Wisley Village against which loans could be advanced in the last instance. Group reserves will have been significantly depleted during the next year and the RHS Council acknowledge that the rebuilding of these will take time and focus over the coming years.

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Payment to parent under Gift Aid

The company has adopted a policy of paying all its taxable profits to its parent charity, the Royal Horticultural Society under Gift Aid. These gift aid payments are recognised as distributions through equity rather than as an expense through the profit and loss, and therefore an operating profit exists at the balance sheet date, on which a tax liability arises.

A Deed of Covenant exists between the company and its parent charity, the Royal Horticultural Society. This creates a legally binding obligation for the company to pay any profit before taxation to its parent and as such this amount has been included as a distribution in the Statement of Changes in Equity.

Turnover

Turnover is measured at the fair value of the consideration, net of discounts and value added taxes. Turnover includes revenue earned from fundraising activities at the RHS's Chelsea and Hampton Court Palace Flower Shows.

Turnover from fundraising activities is recognised on the date of the event.

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Debtors

Short term debtors are measured at the transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price.

Pension scheme

The Company does not have any employees, all staff are contracted to The Royal Horticultural Society with costs recharged to RHS Special Events Ltd. The Society operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Society in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme by the Company in respect of the accounting period.

Taxation

The company recognises a corporation tax liability in the same period that it accrues its profits. The liability is reversed on the donation to the parent charity.

Judgements and estimates

There are no material judgements or estimates applied in the preparation of these financial statements.

Changes to accounting estimates

There have been no changes to accounting estimates in the year.

3. TURNOVER

Turnover represents the invoiced amount of income, net of value added tax, attributable to the principal activities of organising special events for fundraising purposes.

4. PROFIT ON ORDINARY ACTIVITIES

	2020	2019
	£'000	£'000
The profit on ordinary activities is stated after charging:		
Fees to auditors: - Statutory audit	3	3
Fees to auditors: - Tax services	2	1
Operating lease rentals in respect of property	9	16
Interest receivable from group entities	96	92
	<u> </u>	<u> </u>

5. TAXATION

The company recognises a corporation tax liability in the same period that it accrues its profits. The liability is reversed on the donation to the charity.

	2020	2019
	£'000	£'000
UK corporation tax	<u>692</u>	<u>687</u>
Profit on ordinary activities multiplied by standard rate of Corporation tax in the United Kingdom of 19%	<u>692</u>	<u>687</u>

Tax relief is obtained in the period that the profits are paid to the parent charity

6. STAFF COSTS

	2020	2019
	£'000	£'000
Salaries and wages	95	123
Social security costs	11	13
Pension costs	<u>7</u>	<u>9</u>
	<u>113</u>	<u>145</u>

	Number	Number
The average number of regular full-time and regular part-time employees during the year was:	<u>5</u>	<u>4</u>

The Company does not have any employees, all staff are contracted to The Royal Horticultural Society with costs recharged to RHS Special Events Ltd.

All of the directors of RHS Special Events Ltd are employees of Royal Horticultural Society and are remunerated by the Society for their services. None of their emoluments are recharged to RHS Special Events Ltd.

7. DEBTORS: DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Trade Debtors	890	122
Prepayments and accrued income	49	43
Amounts due from group company	-	115
Amounts due from the Royal Horticultural Society	<u>3,500</u>	<u>3,592</u>
	<u><u>4,439</u></u>	<u><u>3,872</u></u>

No impairment loss was recognised against trade debtors for 2020 (2019: £nil).

In 2018 an intercompany loan agreement commenced between the Royal Horticultural Society and RHS Special Events Limited. The loan is repayable on demand and interest is charged at 2% above the Bank of England base rate.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Trade creditors	1	1
Amount due to Group Companies	3	-
Amount due to the Royal Horticultural Society	198	634
Accruals	44	64
Deferred Income	<u>4,837</u>	<u>3,804</u>
	<u><u>5,083</u></u>	<u><u>4,503</u></u>

Since the year-end, RHS Chelsea Flower show has been cancelled. Gala visitors were offered the opportunity to defer their ticket until the 2021 show, take a refund or donate all or part of their ticket value to the RHS. As a consequence a proportion of the deferred income would now fall outside one year and a proportion would be included in a new category, Other creditors, reflecting the refunds requested.

9. OPERATING LEASES

The company's future minimum operating lease payments are as follows:

	2020			2019		
	Land and Buildings £'000	Other £'000	Total £'000	Land and Buildings £'000	Other £'000	Total £'000
Expiring:						
Not later than one year	5	-	5	15	-	15
Later than one year and not later than five years	22	-	22	62	-	62
	<u>27</u>	<u>-</u>	<u>27</u>	<u>77</u>	<u>-</u>	<u>77</u>

10. CALLED UP SHARE CAPITAL

	2020 £	2019 £
Authorised, allotted, called up and fully paid:		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Ordinary Shares

	2020
At 1 February 2019	100
At 31 January 2020	<u>100</u>

There is only one class of share, ordinary. The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any right of redemption.

11. RESERVES

Called-up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profits and losses.

12. ULTIMATE CONTROLLING PARTY

The Ultimate Controlling Party is the Royal Horticultural Society, a registered charity. Copies of the Royal Horticultural Society's consolidated financial statements are available from the RHS website at rhs.org.uk or from The Secretary, Royal Horticultural Society, 80 Vincent Square, London SW1P 2PE.

RHS SPECIAL EVENTS LIMITED

Annual Report and Accounts 2019/2020

Company Number: 03119017

PROFESSIONAL ADVISORS

Auditors

Crowe U.K. LLP
St. Bride's House
10 Salisbury Square
London EC4Y 8EH

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London EC1M 6HR

Bankers

National Westminster Bank plc
169 Victoria Street
London SW1E 5NA