

RHS SPECIAL EVENTS LIMITED

Annual Report and Accounts

31 January 2022

Company Number 03119017

WEDNESDAY



AB75NØFE

A18

29/06/2022

#358

COMPANIES HOUSE

CONTENTS

	Page
Directors' Report	2 - 3
Independent Auditor's Report	4 - 6
 <u>Accounts:</u>	
Profit and Loss	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Accounts	10 – 14
Professional Advisors	15

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements for the year ended 31 January 2022.

Directors

The directors of the Company throughout the year were:

Ms S Biggs
Mr K Weed

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 2021	At 31 January 2022
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.

During the year, the RHS Chelsea Flower Show was postponed from May to September and RHS Hampton Court Palace Garden Festival operated with reduced capacity imposed by Public Health England, however both were able to go ahead.

The accounts for the year ended 31 January 2022 show £4.56m turnover (2021: £9k) and a profit on ordinary activities of £3.14m (2021: Loss £143k). The Company pays all its taxable profits to its parent charity, the Royal Horticultural Society under Gift Aid. Following the loss on ordinary activities in 2020 no payment was made, the payment under Gift Aid has resumed for the year ended 31 January 2022.

No dividend will be paid for the year (2021: £nil).

Going Concern

Two years on from the onset of the pandemic, the impact and measures required to adapt to Covid-19 are a lot clearer and have been absorbed into day-to-day operations. The numbers of visitors to the Gardens and shops (physical and online) have returned to above pre pandemic levels and the organisation has shown its adaptability to operate with and without timed entry systems. Visitors have remained buoyant throughout emphasising the requirement and demand for open spaces, members have once again remained loyal and donors generous in their support

The successful operation of the shows during the year, adjusting in ground capacities and timings, has demonstrated that there is both a public demand as well as a confidence that shows can be operated against the backdrop of Covid. Membership has steadily built as interest in gardening has increased over the last 2 years.

The budget for 2022/23 was as always, prepared on a cautious basis. The assumption was that it would be a steady improvement on the operational success of 2021/22 fully aware that the Covid experience was carried through. Throughout the budget process downside and risk scenarios were considered and in all situations the company would have sufficient cash and cash investment reserves to continue to fund its operations.

In addition to its cash and investments, the parent does have unencumbered property assets in Vincent Square, London and residential properties in Wisley Village against which loans could be advanced as a last resort.

Further, the parent has revolving credit arrangements in place with its banks, which provides a further cushion to meet any short-term cash outflows.

The Directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of these financial statements and are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

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



Stacey Bailey, Company Secretary
80 Vincent Square, London SW1P 2PE
Date: 04 May 2022

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 2022 which comprise Statement of Profit and Loss, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the 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
- the company 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.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and financial reporting standards. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation and taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Date: 17 May 2022

PROFIT AND LOSS

	Notes	2022 £'000	2021 £'000
TURNOVER	3	4,561	9
Cost of Sales		<u>(1,299)</u>	<u>(72)</u>
GROSS PROFIT/LOSS		3,262	(63)
Administrative Expenses		<u>(195)</u>	<u>(153)</u>
OPERATING PROFIT/LOSS		3,067	(216)
Interest receivable		<u>74</u>	<u>73</u>
PROFIT/LOSS ON ORDINARY ACTIVITIES		3,141	(143)
Taxation	5	<u>(570)</u>	-
PROFIT/LOSS FOR THE YEAR		<u>2,571</u>	<u>(143)</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.

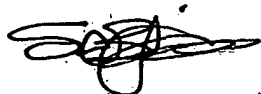
BALANCE SHEET

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
CURRENT ASSETS					
Debtors	7	3,840		3,520	
Cash at bank and in hand		1,028		1,190	
		<u>4,868</u>		<u>4,710</u>	
CREDITORS: Amounts falling due within one year					
	8	<u>(4,879)</u>		<u>(4,864)</u>	
NET CURRENT LIABILITIES			(11)		(154)
NET LIABILITIES			(11)		(154)
CAPITAL AND RESERVES					
Called up equity share capital	10	-		-	
Profit and loss account		(11)		(154)	
EQUITY SHAREHOLDERS' FUNDS			(11)		(154)

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 04 May 2022.



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 2021	-	(11)	(11)
Profit and total comprehensive income for the year	-	(143)	(143)
Donation to the parent charity made under the gift aid scheme	-	-	-
Tax relief obtained on gift aid payment	-	-	-
At 31 January 2021	<u>-</u>	<u>(154)</u>	<u>(154)</u>
Balance as at 31 January 2021	-	(154)	(154)
Profit and total comprehensive income for the year	-	2,571	2,571
Donation to the parent charity made under the gift aid scheme	-	(2,998)	(2,998)
Tax relief obtained on gift aid payment	-	570	570
At 31 January 2022	<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 Limited 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 Limited 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 detailed under the section titled payment to parent under Gift Aid.

Going concern

Two years on from the onset of the pandemic, the impact and measures required to adapt to Covid-19 are a lot clearer and have been absorbed into day to day operations. The numbers of visitors to the Gardens and shops (physical and online) have returned to above pre pandemic levels and the organisation has shown its adaptability to operate with and without timed entry systems. Visitors have remained buoyant throughout emphasising the requirement and demand for open spaces, members have once again remained loyal and donors generous in their support.

The successful operation of the shows during the year, adjusting in ground capacities and timings, has demonstrated that there is both a public demand as well as a confidence that shows can be operated against the backdrop of Covid. Membership has steadily built as interest in gardening has increased over the last 2 years.

The budget for 2022/23 was as always, prepared on a cautious basis. The assumption was that it would be a steady improvement on the operational success of 2021/22 fully aware that the Covid experience was carried through. Throughout the budget process downside and risk scenarios were considered and in all situations the company would have sufficient cash and cash investment reserves to continue to fund its operations.

In addition to its cash and investments, the parent does have unencumbered property assets in Vincent Square, London and residential properties in Wisley Village against which loans could be advanced as a last resort. Further the parent has revolving credit arrangements in place with its banks, which provides a further cushion to meet any short-term cash outflows.

The Directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of these financial statements and are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

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 Chelsea Flower Show and RHS Hampton Court Palace Flower Show.

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 Limited. 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

	2022 £'000	2021 £'000
The profit on ordinary activities is stated after charging:		
Fees to auditors: - Statutory audit	4	4
Operating lease rentals in respect of property	5	17
Interest receivable from group entities	74	73
	<u>74</u>	<u>73</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.

	2022 £'000	2021 £'000
UK corporation tax	<u>597</u>	<u>-</u>
Profit on ordinary activities multiplied by standard rate of Corporation tax in the United Kingdom of 19%	<u>597</u>	<u>-</u>

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

6. STAFF COSTS

	2022 £'000	2021 £'000
Salaries and wages	74	93
Social security costs	7	10
Pension costs	4	5
	<u>85</u>	<u>108</u>

	Number	Number
The average number of regular full-time and regular part-time employees during the year was:	<u>3</u>	<u>4</u>

The Company has 3 employees, that work directly for RHS Special Events Limited.

RHS SPECIAL EVENTS LIMITED
Annual Report and Accounts 2021/2022
Company Number: 03119017

One of the directors of RHS Special Events Limited is a Trustee of Royal Horticultural Society and is not remunerated by the Society for their services.

One of the directors of RHS Special Events Limited is an employee of Royal Horticultural Society and is remunerated by the Society for their services. None of their emoluments are recharged to RHS Special Events Limited.

7. DEBTORS: DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Trade Debtors	340	1
Amounts due from the Royal Horticultural Society	<u>3,500</u>	<u>3,519</u>
	<u><u>3,840</u></u>	<u><u>3,520</u></u>

No impairment loss was recognised against trade debtors for 2022 (2021: £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. The loan amount remained at £3.5m throughout the financial year ended 31 January 2022.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Trade creditors	22	-
Amount due to the Royal Horticultural Society	554	28
Accruals	149	35
Deferred Income	<u>4,164</u>	<u>4,801</u>
	<u><u>4,879</u></u>	<u><u>4,864</u></u>

9. OPERATING LEASES

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

	2022			2021		
	Land and Buildings £'000	Other £'000	Total £'000	Land and Buildings £'000	Other £'000	Total £'000
Expiring:						
Not later than one year	3	-	3	15	-	15
Later than one year and not later than five years	13	-	13	64	-	64
	<u>16</u>	<u>-</u>	<u>16</u>	<u>79</u>	<u>-</u>	<u>79</u>

10. CALLED UP SHARE CAPITAL

	2022 £	2021 £
Authorised, allotted, called up and fully paid:		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Ordinary Shares

	2022
At 1 February 2021	100
At 31 January 2022	<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.

PROFESSIONAL ADVISORS

Auditors

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Solicitors

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

Bankers

National Westminster Bank plc
169 Victoria Street
London SW1E 5NA