

Royal Agricultural Society of England

Trustees' Report and Financial Statements

For the Year Ended 31 December 2019



Royal Agricultural Society of England
(A company limited by guarantee)

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Royal Agricultural Society of England
(A company limited by guarantee)

Reference and Administrative Details of the Company, its Trustees and Advisers
For the Year Ended 31 December 2019

Patron	Her Most Gracious Majesty The Queen
President	Mr Jim Godfrey
Honorary Trustees	H.R.H. The Prince Philip, Duke of Edinburgh, KG, KT, OM, GBE H.R.H. The Prince of Wales, KG, KT, GCB H.R.H. The Duke of Gloucester, KG, GCVO H.R.H. The Countess of Wessex R.F.H. Cowen, CBE The Lord Plumb of Coleshill, DL, FRAgS
Trustees	Chris Tufnell, Chair Alastair Morrison Nick Tapp FRAgS Michael Fiddes Joanna Price Gareth Davies Julia Butler

Royal Agricultural Society of England
(A company limited by guarantee)

Chairman's Statement
For the Year Ended 31 December 2019

The chairman presents his statement for the period.

The trustees are pleased to report another year of sound financial performance. A year without one of our popular trade shows is always a challenge but we've used the time to focus on our future strategy with regards to the Societies property interests and the best way to focus on our core purpose of supporting 'Practice with Science' in agriculture.

The Society continues, along with fifteen other agricultural societies, to support knowledge transfer through the work of Innovation for Agriculture. Brexit has put uncertainty on the continued funding of this venture's contributions, but we're delighted that so many of the projects continue to wish to collaborate with us in this vital work. Similarly, the Society continues to champion the very best through its awards and to collaborate with other agricultural organisations. This was brilliantly illustrated on a glorious summer's day in Cambridgeshire when our President, Jim Godfrey, combined his RASE President's Day with the Centenary celebrations of NIAB.

I'd like to thank the Board of trustees and our staff, our CEO Andrew Lazenby and his PA, Emily Stillwell, for their hard work and dedication to the work of the Society. I would particularly like to thank George Jessel who retired as a trustee at the end of the year having served for many years. George helped my predecessor, Henry Cator, through some of the Society's toughest years. His wisdom and humour will be missed on the Board and I thank him sincerely.

I'd also like to thank our outgoing President, Jim Godfrey, for two brilliant years. He too has provided sage guidance to the Board and me in particular and I'm delighted that he continues to support the Society as one of our Honorary Vice Presidents working with CARAS.

Finally, I welcome our incoming President, Richard Benyon. Richard's work with DEFRA whilst in government and his role as a significant landowner will ensure that his contribution will be significant.

I write this whilst we are well in to the Covid 19 pandemic, so I wish you all good health and safety.

Name C Tufnell
Chairman

Date 23 September 2020

Royal Agricultural Society of England
(A company limited by guarantee)

Operating and Financial Review
For the Year Ended 31 December 2019

2019 was supposed to be the hardest year in the societies cycle as it was a year when we didn't run any trade shows and therefore a no-show year means the society didn't have any income.

Fortunately, judicious management has meant we had managed the societies finances to get us through to May 2020 when we were due to hold our two trade shows and get effectively a further two years operating income.

We saw a successful year with the Bledisloe medal awarded to Edward and Kate Barnston of the Barnston Estate in Cheshire.

We took the decision to carry over the Awards from 2020 to 2021 and look forward to celebrating with our winners in 2021.

We are now in Mid 2020 and as I write this the society has been impacted in as significant a way as at any time in its history.

The Covid -19 pandemic has meant we have had to Cancel both of our tradeshow and four months after taking that difficult and challenging decision, our show partner is just beginning the long and complex process of insurance claims. We carried cover for our events being cancelled for reasons that were beyond our control and so we are confident that this situation will ultimately be resolved. The Chancellor confirmed to the nation in late March that Government would ensure that any event which had appropriate insurance would be supported to the right outcome.

We are extremely grateful to our trade exhibitors, sponsors and supporters that have worked with us and continue to work with us in the current crisis and I would like to thank each and every one of them for their ongoing support in these unprecedented times.

We are clear that the current situation within our sector will not disappear in 2020 and thoughts of normality in 2021 may well be premature. When this is added to the increasing pressures of Brexit and the continuing possibility of no deal our wonderful food and farming sectors will continue to see increasing pressure on increasingly limited resources.

I am clear that we and many other organizations will be stronger only if we work together through these incredibly challenging times and I see collaboration and even consolidation as part of the solution to surviving 2020 and thriving beyond.

Financially the society has seen a significant strengthening in the balance sheet and the pension fund was fully resourced in its triennial valuation and is in a stronger position than it has been in for many years.

Finally, HS2s presence continues to grow, and for those who have not been to Stoneleigh park for some time, the differences will be stark. Tree works start in the Autumn with some 1500 trees lost to the project and the main construction is due to begin in early 2021. The scale is immense, and plans are in place to store over 1,750,000 cubic metres of spoil on land to the north of the park.

I wish you and your families the very best as we come through the realities of the biggest financial and health crisis for a century and thank you for your continued support for the RASE as we prepare to emerge stronger and more vocal to support the needs of the unique farming communities of England.

Andrew Lazenby
Chief Executive

23 September 2020

Royal Agricultural Society of England
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 December 2019

The Trustees present their annual report together with the audited financial statements of the company for the year 1 January 2019 to 31 December 2019. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the Society qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

The Objects for which the Society is constituted, according to its Royal Charter, are:

- To promote and improve the science, technology, art and practice of agriculture, forestry, horticulture, kindred activities and the husbandry of livestock (including horses) and land and to promote the application of improved methods and processes connected therewith by demonstration and other appropriate means.
- To promote agricultural and environmental education, research and development and experimental work by maintaining and conducting a learned Society and by publications, grants, and other means.
- To advance religion by the promotion of religious activities and values amongst rural communities in such ways as the Board of Trustees may from time to time determine.

b. Strategies for achieving objectives

Our aim is to be a forward thinking, vibrant, independent, and apolitical charity that aims to deliver value to the industry specifically focusing on Practice with Science in the Agricultural Sector:

Details of our strategies, objectives and activities are set out in the Chief Executive's report on page 3.

c. Activities for achieving objectives

Details of our activities are set out in the Chief Executive's Report on Page 3.

d. Main activities undertaken to further the charity's purposes for the public benefit

The Trustees consider that these objectives, activities and goals have a clear public benefit in enhancing the economic, social and cultural well being of rural communities.

In drafting these statements, the Trustees have complied with the duty in Chapter 1, Section 4 of the Charities Act 2011, to have due regard to the public benefit guidance published by the Charity Commission.

Achievements and performance

a. Review of activities

Details of our Achievements and Performance are set out in the Chief Executive's Report on page 3

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Review of financial performance

A review of financial performance is included in the Chairman's report on page 2.

Regular management accounts and forecasts are prepared and reviewed by the Trustees.

The principal sources of income for the Society in 2019 are membership income. There was no show held during 2019. The proceeds of these activities are applied to meet the key objectives through Practice with Science activity.

Information on Permanent Endowment, Restricted and Designated Funds is given in note 19 to the Financial Statements.

c. Financial management policies

To ensure the Society is managed efficiently and effectively, the Board of Trustees have delegated a range of day-to-day decision-making powers to the Executive Team, which reports directly to the Board of Trustees. The Board of Trustees has also established appropriate controls and reporting mechanisms to ensure that the Society operates within the scope of the powers delegated to it. The delegation policy is updated on an ongoing basis and is formally reviewed and approved by Trustees as amendments are required. The most recent review was in March 2012.

d. Reserves policy

The policy is to hold sufficient unrestricted funds to cover exceptional capital and operating expenditure which cannot be funded from the normal general contingency set aside within operational budgets. This policy would normally require holding total unrestricted operating funds of at least £500k. Unrestricted funds at the year-end amounted to £5,850k (2018 - £1,699k). However, there were functional fixed assets in charitable use and Investment Properties of £5,275k (2018 - £875k) resulting in free reserves of £574k (2018 - £824k).

e. Pension

Total unrestricted funds as shown in the accounts include a funding deficit of £nil (2018: £nil) calculated under FRS102 in respect of the Charity's defined benefit pension scheme.

The full calculation showed a surplus of £276k, but this cannot be recognised in the Financial Statements as it is not recoverable.

The Trustees believe that this funding calculation, which can vary considerably year on year according to the assumptions made at each year end, has no material effect on the Charity's cash flows in the short term, and that in the longer term its effects are sustainable out of future income. Hence, they consider that it should be disregarded for reserves policy purposes. The Trustees take their responsibilities to members of the Pension Fund very seriously and make it a high priority to ensure that obligations to members can be met.

f. Grant making policy

The Society makes grants to organisations or individuals where these are considered valid in support of its charitable objectives.

g. Material investments policy and performance

Assets relating to endowment or restricted funds are invested with CCLA Investment Management Ltd in their Charities Investment Fund and Charities Deposit Fund. Movements in world markets over 2019 have led to gain on investment assets of £17k (2018: loss £2k).

Structure, governance and management

a. Constitution

The Society is registered as a charitable company limited by guarantee and was set up by a Royal Charter .

The company is constituted under a Royal Charter dated 1840 and is a registered charity number 209961. The Society's charter and bye-laws set out the composition and tenure of the Board of Trustees which comprises six elected members, four ex officio members (or other such number as the Trustees shall from time to time decide) and up to two additional members who can be co-opted on an annual basis. The non-elected Trustees serve for a period of three years and can be re-elected for a further three year period. At the end of the period of this report, there were five elected Trustees.

Trustees are recruited from Members of the Council of the Society. Newly appointed Trustees receive induction training.

The Trustees are responsible for determining the strategy of the Society and for its overall governance. The day to day implementation of strategy and operation of the Society are delegated to the senior executive team

b. Method of appointment or election of Trustees

The management of the Society is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Policies adopted for the induction and training of Trustees

It is anticipated that new trustees will be briefed on the history of the Society and all trustees are encouraged to attend Charity Trustee Training events to update and maintain their knowledge about statutory and other responsibilities.

d. Pay policy for senior staff

When setting the remuneration of staff, the Society aims to achieve a balance between fair pay to attract and keep appropriately qualified staff to lead, manage and support the Society's aims, and considerations of the

Society's financial objectives.

e. Organisational structure and decision making

To ensure the Society is managed efficiently and effectively, the Board of Trustees have delegated a range of day-to-day decision-making powers to the Executive Team which reports directly to the Board of Trustees. The Board of Trustees also has established appropriate controls and reporting mechanisms to ensure that the Society operates within the scope of the powers delegated to it. The delegation policy is updated on an ongoing basis and is formally reviewed and approved by Trustees as amendments are required. The most recent review was in March 2012.

f. Risk management

The Trustees have assessed the major risks to which the Society is exposed, in particular those related to the operations and finances of the Society, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Plans for future periods

a. Future developments

The Society continues to support the "Innovations for Agriculture" initiative and is preparing for the Grassland & Muck Show in 2020.

Trustees' responsibilities statement

The Trustees (who are also directors of Royal Agricultural Society of England for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees, on 23 September 2020 and signed on their behalf by:

Chris Tufnell
Chairman

Independent Auditors' Report to the Members of Royal Agricultural Society of England

Opinion

We have audited the financial statements of Royal Agricultural Society of England (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, 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 charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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 Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditors' Report to the Members of Royal Agricultural Society of England

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees 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 Trustees are responsible for assessing the charitable 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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 Auditors' report.

Royal Agricultural Society of England
(A company limited by guarantee)

Independent Auditors' Report to the Members of Royal Agricultural Society of England

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
23 September 2020

Dains LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Royal Agricultural Society of England
(A company limited by guarantee)

Statement of Financial Activities
Incorporating Income and Expenditure Account
For the Year Ended 31 December 2019

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Income and endowments from:						
Donations and legacies	2	10	-	-	10	5
Charitable activities	3	24	-	-	24	26
Other trading activities	4	74	-	-	74	382
Investments	5	-	1	-	1	3
Total income and endowments		108	1	-	109	416
Expenditure on:						
Raising funds		286	-	-	286	319
Charitable activities	9,6	71	-	-	71	82
Total expenditure	10	357	-	-	357	401
Net income / (expenditure) before investment gains/(losses)		(249)	1	-	(248)	15
Net gains/(losses) on investments	14,15	4,400	-	16	4,416	(2)
Net income before other recognised gains and losses		4,151	1	16	4,168	13
Net movement in funds		4,151	1	16	4,168	13
Reconciliation of funds:						
Total funds brought forward		1,699	37	88	1,824	1,811
Total funds carried forward		5,850	38	104	5,992	1,824

The notes on pages 15 to 31 form part of these financial statements.

Royal Agricultural Society of England
(A company limited by guarantee)
Registered number: RC000442

Balance Sheet
As at 31 December 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	13	1	1
Investment property	14	5,275	875
Total tangible assets		5,276	876
Investments	15	128	111
		5,404	987
Current assets			
Debtors: amounts falling due after more than one year	16	641	657
Debtors: amounts falling due within one year	16	90	100
Cash at bank and in hand		98	323
		829	1,080
Creditors: amounts falling due within one year	17	(224)	(224)
Net current assets		605	856
Total assets less current liabilities		6,009	1,843
Creditors: amounts falling due after more than one year	18	(17)	(19)
Net assets		5,992	1,824
Charity Funds			
Endowment funds	19	104	88
Restricted funds	19	38	37
Unrestricted funds	19	5,850	1,699
Total funds		5,992	1,824

The financial statements were approved and authorised for issue by the Trustees on 23 September 2020 and signed on their behalf, by:

Chris Tufnell
Chairman of the Board of Trustees

The notes on pages 15 to 31 form part of these financial statements.

Royal Agricultural Society of England
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 December 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	<u>(225)</u>	<u>6</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1	3
Proceeds from the sale of tangible fixed assets		-	2
Purchase of tangible fixed assets		<u>(1)</u>	<u>-</u>
Net cash provided by investing activities		<u>-</u>	<u>5</u>
Change in cash and cash equivalents in the year		(225)	11
Cash and cash equivalents brought forward		<u>323</u>	<u>312</u>
Cash and cash equivalents carried forward	22	<u>98</u>	<u>323</u>

The notes on pages 15 to 31 form part of these financial statements.

1. Accounting Policies

1.1 General information

The Royal Agricultural Society of England is a company incorporated by Royal Charter and registered as a charity with the Charity Commission in England and Wales. The address of the registered office is given on the company information page of these financial statements. The nature of the charity's operations and principal activities are given in the Trustees report.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Royal Agricultural Society of England meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.3 Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

1. Accounting Policies (continued)

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Members' subscriptions relate to the financial period and are dealt with in the financial statements on a deferral basis. Subscriptions received in advance are not brought in to the Statement of Financial Activities until the year to which they relate. The membership year runs from 1 October to 30 September. One quarter of membership subscriptions received by 31 December 2019 relating to the 2019/20 membership year have been taken to income in the reporting period. Life members' lump sum subscriptions are taken to the Life Members's equalisation account and released to the Statement of Financial Activities in equal annual installments representing the estimated annual proportion of the subscription.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1. Accounting Policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Raising funds costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	- 33% straight line
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1.7 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1. Accounting Policies (continued)

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at Bank and in hand

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

1.11 Creditors and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.14 Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities.

1.15 Employee benefits

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Notes to the Financial Statements
For the Year Ended 31 December 2019

1. Accounting Policies (continued)

The charity operates a defined benefit plan for the benefit of its employees. The scheme was closed to new members in May 2003. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 December 2018.

1.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, and are principally held as fixed asset investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

1.17 Critical accounting estimates and areas of judgment

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

2. Income from donations and legacies

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations	10	-	-	10	5
Total 2018	5	-	-	5	

Notes to the Financial Statements
For the Year Ended 31 December 2019

3. Income from charitable activities

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Membership subscriptions	24	-	-	24	26
Total 2018	26	-	-	26	

4. Fundraising income

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Property	49	-	-	49	50
Other	25	-	-	25	332
	74	-	-	74	382
Total 2018	382	-	-	382	

5. Investment income

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Dividend income	-	1	-	1	3
Total 2018	-	3	-	3	

Notes to the Financial Statements
For the Year Ended 31 December 2019

6. Analysis of expenditure on charitable activities

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Membership services	9	-	-	9	6
Awards programme	6	-	-	6	2
	<u>15</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>8</u>
Total 2018	<u>8</u>	<u>-</u>	<u>-</u>	<u>8</u>	

7. Analysis of expenditure by activities

	Activities undertaken directly 2019 £000	Total 2019 £000	Total 2018 £000
Membership services	9	9	6
Rural programme	6	6	2
	<u>15</u>	<u>15</u>	<u>8</u>
Total 2018	<u>8</u>	<u>8</u>	

8. Direct costs

	Membership services £000	Awards programme £000	Total 2019 £000	Total 2018 £000
Direct costs	9	6	15	8
	<u>6</u>	<u>2</u>	<u>8</u>	
Total 2018	<u>6</u>	<u>2</u>	<u>8</u>	

Notes to the Financial Statements
For the Year Ended 31 December 2019

9. Governance costs

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Auditors' remuneration	5	-	-	5	5
General expenses	2	-	-	2	2
Wages and salaries	49	-	-	49	67
	<u>56</u>	<u>-</u>	<u>-</u>	<u>56</u>	<u>74</u>

10. Analysis of Expenditure by expenditure type

	Staff costs 2019 £000	Other costs 2019 £000	Total 2019 £000	Total 2018 £000
Expenditure on fundraising trading	4	282	286	319
Costs of raising funds	<u>4</u>	<u>282</u>	<u>286</u>	<u>319</u>
Membership services	-	9	9	6
Awards programme	-	6	6	2
Charitable activities	<u>-</u>	<u>15</u>	<u>15</u>	<u>8</u>
Expenditure on governance	<u>49</u>	<u>7</u>	<u>56</u>	<u>74</u>
	<u>53</u>	<u>304</u>	<u>357</u>	<u>401</u>
Total 2018	<u>75</u>	<u>327</u>	<u>402</u>	

Notes to the Financial Statements
For the Year Ended 31 December 2019

11. Net income/(expenditure)

This is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets:		
- owned by the charity	1	2
Auditors' remuneration - audit	5	5
	<u>5</u>	<u>5</u>

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

1 Trustee received reimbursement of expenses amounting to £347 in the current year (2018 - 5 Trustees - £1,351).

An Honoraria was paid to the Chairman to facilitate Fund Raising efforts of £10,000 (2018 - £10,000).

12. Staff costs

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	49	67
Social security costs	2	5
Other pension costs	3	3
	<u>54</u>	<u>75</u>

The average number of persons employed by the company during the year was as follows:

	2019 No.	2018 No.
Staff	3	3

Average headcount expressed as a full time equivalent:

	2019 No.	2018 No.
Average headcount expressed as a full time equivalent:	1.3	1.4

No employee received remuneration amounting to more than £60,000 in either year.

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility delegated to them by the Society for planning, directing and controlling the activities of the Society. During 2019 the total amounts paid to key management personnel was £22,065 (2018 - £21,841).

Notes to the Financial Statements
For the Year Ended 31 December 2019

13. Tangible fixed assets

	Computer equipment £000
Cost	
At 1 January 2019	20
Additions	1
	<hr/>
At 31 December 2019	21
	<hr/>
Depreciation	
At 1 January 2019	19
Charge for the year	1
	<hr/>
At 31 December 2019	20
	<hr/>
Net book value	
At 31 December 2019	1
	<hr/>
At 31 December 2018	1
	<hr/>

14. Investment property

	Freehold investment property £000
Valuation	
At 1 January 2019	875
Impairment charge	(1)
Surplus on revaluation	4,400
	<hr/>
At 31 December 2019	5,274
	<hr/>

The 2019 valuations were made by the Trustees, on an open market value for existing use basis.

15. Fixed asset investments

	Listed securities £000
Market value	
At 1 January 2019	111
Revaluations	17
	<hr/>
At 31 December 2019	128
	<hr/>

Notes to the Financial Statements
For the Year Ended 31 December 2019

15. Fixed asset investments (continued)

Investments at market value comprise:

	2019 £000	2018 £000
Listed investments	128	111

All the fixed asset investments are held in the UK.

16. Debtors

	2019 £000	2018 £000
Due after more than one year		
Prepayments and accrued income	641	657
Due within one year		
Trade debtors	34	33
Other debtors	16	22
Prepayments and accrued income	40	45
	90	100

17. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	70	66
Other taxation and social security	7	4
Other creditors	118	117
Accruals and deferred income	29	37
	224	224

Deferred income

	2019 £000	2018 £000
Deferred income at 1 January	21	23
Resources deferred during the year	17	21
Amounts released from previous years	(21)	(23)
	17	21

Royal Agricultural Society of England
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2019

18. Creditors: Amounts falling due after more than one year

	2019	2018
	£000	£000
Accruals and deferred income	<u>17</u>	<u>19</u>

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2019 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2019 £000
Unrestricted funds					
General Funds	<u>1,699</u>	<u>108</u>	<u>(357)</u>	<u>4,400</u>	<u>5,850</u>
Endowment funds					
RASE Landowner gold medal	28	-	-	4	32
Farm & Rural building centre	60	-	-	12	72
	<u>88</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>104</u>
Restricted funds					
RASE Landowner gold medal	12	1	-	-	13
Farm & Rural building centre	25	-	-	-	25
	<u>37</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>38</u>
Total of funds	<u><u>1,824</u></u>	<u><u>109</u></u>	<u><u>(357)</u></u>	<u><u>4,416</u></u>	<u><u>5,992</u></u>

Notes to the Financial Statements
For the Year Ended 31 December 2019

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2018 £000
Unrestricted funds					
General Funds	1,696	413	(401)	(9)	1,699
Endowment funds					
Endowment funds					
RASE Landowner gold medal	25	-	-	3	28
Farm & Rural building centre	56	-	-	4	60
Restricted funds					
RASE Landowner gold medal	11	1	-	-	12
Farm & Rural building centre	23	2	-	-	25
Total of funds	1,811	416	(401)	(2)	1,824

Summary of funds - current year

	Balance at 1 January 2019 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2019 £000
General funds	1,699	108	(357)	4,400	5,850
Endowment funds	88	-	-	16	104
Restricted funds	37	1	-	-	38
	1,824	109	(357)	4,416	5,992

Summary of funds - prior year

	Balance at 1 January 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2018 £000
General funds	1,696	413	(401)	(9)	1,699
Endowment funds	81	-	-	7	88
Restricted funds	34	3	-	-	37
	1,811	416	(401)	(2)	1,824

Notes to the Financial Statements
For the Year Ended 31 December 2019

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	2	-	-	2
Fixed asset investments	-	24	104	128
Investment property	5,275	-	-	5,275
Debtors due after more than 1 year	641	-	-	641
Current assets	175	14	-	189
Creditors due within one year	(226)	-	-	(226)
Creditors due in more than one year	(17)	-	-	(17)
	<u>5,850</u>	<u>38</u>	<u>104</u>	<u>5,992</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Endowment funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	1	-	-	1
Fixed asset investments	-	23	88	111
Investment property	875	-	-	875
Debtors due after more than 1 year	657	-	-	657
Current assets	409	14	-	423
Creditors due within one year	(224)	-	-	(224)
Creditors due in more than one year	(19)	-	-	(19)
	<u>1,699</u>	<u>37</u>	<u>88</u>	<u>1,824</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £000	2018 £000
Net income for the year (as per Statement of Financial Activities)	4,168	13
Adjustment for:		
Depreciation charges	1	2
Gains on investments	(4,416)	(1)
Dividends, interest and rents from investments	(1)	(3)
Decrease/(increase) in debtors	25	(3)
Decrease in creditors	(2)	(2)
Net cash (used in)/provided by operating activities	<u>(225)</u>	<u>6</u>

Notes to the Financial Statements
For the Year Ended 31 December 2019

22. Analysis of cash and cash equivalents

	2019	2018
	£000	£000
Cash in hand	98	323
Total	98	323

23. Pension commitments

Defined contribution pension scheme

The company operates a Defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £2,588 (2018 - £2,727). Contributions totalling £362 (2018 - £351) were payable to the fund at the balance sheet date and are included in creditors.

Defined benefit pension scheme

The company operates a Defined benefit pension scheme.

The Charity contributed to a Defined Benefits pension scheme, the Royal Agricultural Society of England (1978) Pension & Life Assurance Scheme. Rates are set by the Scheme actuary and advised to the Charity by the Scheme Administrator. This scheme is being accounted for under FRS 102, with the annually calculated surplus or deficit on the funding of the scheme shown in the accounts, which is deducted from Unrestricted Funds in the balance sheet. The trustees believe that the scheme currently meets statutory minimum funding requirements. The Trustees note that the calculated deficit or surplus calculated under FRS 102 can vary greatly from year to year depending on the assumptions made at the valuation date, but with normally little or no effect on short term cash flows.

The scheme was closed during 2010.

A comparison of the fair value of the scheme assets with the present value of funding obligations has given rise to a surplus of £276,000 (2018: £33,000). However, a surplus can only be recognised in the accounts if it is possible for the employer to obtain a refund from the scheme. No refund is permitted until all benefits have been fully bought out. The assets are insufficient to meet the full buyout cost so it is unlikely the charity will receive a refund.

A full actuarial valuation was carried out as at 31 December 2018 and showed a surplus of £33k. The results have been projected to 31 December 2019 and then recalculated based on the following assumptions:

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages) :

	2019	2018
Discount rate at 31 December	2.00 %	2.90 %
Rate of increase in price (RPI)	2.90 %	3.30 %
Rate of increase in price (CPI)	2.00 %	2.30 %
Rate of statutory revaluation	2.00 %	2.30 %

Notes to the Financial Statements
For the Year Ended 31 December 2019

23. Pension commitments (continued)

The assets in the scheme and the expected rates of return were:

	Fair value at 31 December 2019 £000	Fair value at 31 December 2018 £000
Present value of funded obligations	(14,390)	(13,426)
Fair value of scheme assets	14,666	13,459
Surplus not recognised	(276)	(33)

The actual return on scheme assets was £1,988,000 (2018 - £-969,000).

Movements in the present value of the defined benefit obligation were as follows:

	2019 £000	2018 £000
Opening defined benefit obligation	13,426	14,518
Interest cost	379	355
Past service costs	79	-
Actuarial losses (gains)	1,287	(809)
Benefits paid	(781)	(638)
Closing defined benefit obligation	<u>14,390</u>	<u>13,426</u>

Changes in the fair value of scheme assets were as follows:

	2019 £000	2018 £000
Opening fair value of scheme assets	13,459	15,066
Return on Scheme assets excluding interest income	1,610	(1,324)
Interest income	378	355
Benefits paid	(781)	(638)
	<u>14,666</u>	<u>13,459</u>

The company expects to contribute £NIL to its Defined benefit pension scheme in 2020.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2019	2018
Equities	71.89 %	64.25 %
Gilts and bonds	22.88 %	31.08 %
Property	2.36 %	2.08 %
Cash	2.87 %	2.59 %

Notes to the Financial Statements
For the Year Ended 31 December 2019

23. Pension commitments (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2019	2018	2017	2016	2015
	£000	£000	£000	£000	£000
Defined benefit obligation	(14,390)	(13,426)	(14,518)	(13,579)	(11,838)
Scheme assets	14,666	13,459	15,066	14,172	12,525
Surplus	276	33	548	593	687

24. Related party transactions

The Society is controlled by the Directors (the Trustees), whose names are shown on page 1. The Charity has paid £442 (2018 - £840) for Professional Indemnity Insurance. This cover protects the Charity from losses arising from the neglect or default of Trustees and seconded employees. It also indemnifies the Trustees or other officials against the consequences of any neglect or default on their part.

During the year the Society recharged £109,691 (2018 - £39,795) to Innovation for Agriculture, a related party due to the Society being a member of Innovation for Agriculture, for office running costs.

During the year Innovation for Agriculture recharged £3,583 (2018 - £14,103) to the Society for secondment of staff at cost.

At the year end £6,918 (2018 - £4,319) was due from Innovation for Agriculture.