

Registered Charity Number: 511868
Company number: 01588571

Three Counties Agricultural Society
(a company limited by guarantee)
Annual Report and Financial Statements
For the year ended 30 November 2015

CHARITY COMMISSION
FIRST CONTACT

12 MAY 2016

ACCOUNTS
RECEIVED

THREE COUNTIES AGRICULTURAL SOCIETY
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

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THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 NOVEMBER 2015

TRUSTEES' REPORT

THE BOARD

The Board of Trustees (who are the trustees of the Society for the purposes of charity law and the directors of the company for the purposes of company law) of the Three Counties Agricultural Society ("the Society") present their annual report for the year ended 30 November 2015 prepared in accordance with section 415A of the Companies Act 2006 relating to small entities, and the Charities Act 2011, together with the audited financial statements for that year.

REFERENCE AND ADMINISTRATIVE DETAILS

The Three Counties Agricultural Society is a registered Charity (No. 511868) and a company (No. 01568571) limited by membership guarantees. Its registered office is as shown on page 9.

The Members of the Board, which includes the present trustees, and any past trustees who served during the year, are given on page 9, together with the name of the Chief Executive. The President and Vice-Presidents and external advisers of the Society are as set out on pages 9 to 11.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Society is governed by its Memorandum adopted on 12 May 1981 and last amended on 30 May 2008 and Articles of Association adopted on 28 October 1992 and last amended on 24 November 2005.

Under the amended Articles of Association adopted on 24 November 2005, the number of trustees is a maximum of twelve and the Council members a maximum of forty five. The Board is responsible for the overall governance of the Society. Trustees are either elected or co-opted and the total number of trustees may not exceed twelve. Nine trustees are elected directly by Council and three may be co-opted by the Board of Trustees. Elected trustees may remain in office for three years but may not serve more than three consecutive full terms. Co-opted trustees are appointed by the Board of Trustees and may serve for up to two terms of three years or on other terms determined by the Board at the time of their co-option.

Effective partnership between trustees and staff continues to contribute significantly to our success. To increase the effectiveness of the trustees' roles and responsibilities, each has portfolio interests which require an understanding and a responsibility for specific aspects of the Society's work. Trustees are required to meet at least five times a year. Apart from the AGM, these meetings include four Board meetings where trustees review strategy and operational/investment performance and set operating plans and budgets. New trustees receive an induction pack containing everything they need to know about the Society and its work for effective and informed decision-making, and trustee-training sessions for the whole Board are held annually as directed by professional advisers. Additional strategic reviews are held as and when needed for any other purpose.

The Board delegates the exercise of certain powers in connection with the management and administration of the Society as set out below. This is controlled by requiring regular reporting back to the Board so that all decisions made under delegated powers can be ratified by the full Board in due course.

RISK AND AUDIT REVIEW COMMITTEE

The Risk and Audit Review Committee is a committee of the Council whose purpose is to advise the Board on risk management and internal control and act as an independent review mechanism for the preparation and audit of the annual financial statements.

The committee is formed of up to three individuals, at least two of whom shall be Council members and all of whom will be independent of the Board of Trustees. One of these shall be Chairman of the committee.

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2015

The committee has introduced a formal risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks the Society faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the committee has reviewed the adequacy of the Society's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to appropriate levels of management and to the Board of Trustees.

The Board confirms that the major risks, to which the Society is exposed, as identified by the committee, have been reviewed and systems have been established to mitigate those risks.

CHIEF EXECUTIVE

The Chief Executive is responsible for the day to day management of the Society's affairs and for implementing policies agreed by the Board of Trustees. The Chief Executive is assisted by a team of senior managers.

GROUP STRUCTURE

The Society has a wholly owned subsidiary, T.C.A. Trading Limited. The subsidiary carries out trading activities to raise funds for donating to the Society under Gift Aid, and during the financial year made an operating profit of £359k (2014: £291k) all of which has been covenanted to the Society.

STATEMENT OF TRUSTEES' RESPONSIBILITIES AND CORPORATE GOVERNANCE

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

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company/group 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2015

So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

CORPORATE GOVERNANCE

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the executive management and the Board.

The systems of internal control are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- a strategic plan and annual budget approved by the trustees;
- regular consideration by the trustees of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of day-to-day management authority and segregation of duties; and
- identification and management of risks.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE SOCIETY

The Memorandum of Association reflects the activities of the Society and incorporates the Charity Commission's GD1 model clause on trustees' benefits. The following is an extract from the Society's Memorandum of Association:

"The Society's primary object is to promote agriculture, horticulture, arboriculture, apiculture, forestry, rural crafts and skills and conservation for the public benefit; and in particular, but not exclusively, by

- holding demonstrations of modern agricultural methods and processes;
- holding shows for the exhibition of agriculture, livestock, poultry, animal husbandry, farm and horticultural produce and forestry, and for the demonstration of agricultural and horticultural methods and processes, rural crafts and skills, machinery, vehicles, domestic goods, implements, tools and appliances, animal feed stuffs, fertilisers, seeds and other items appertaining or ancillary to agriculture, horticulture or any allied industry."

Each year the Society sets objectives which not only address the strategic objectives contained in the Memorandum but include tactical and operational objectives. The objectives for 2015, the Society's achievements against those objectives and the objectives for 2016 are discussed under the heading of Achievements and Performance, set out below.

Our vision is to be the regional centre within the Three Counties dedicated to the promotion of agriculture, horticulture and arboriculture through public and trade shows and through direct/indirect education programmes.

PUBLIC BENEFIT

As a charitable trust, the Society seeks to benefit the public through its stated aims which are shown in the Objects, Objectives and Principal Activities of the Society section of this report.

In furtherance of these aims the directors, as charity trustees, have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant subsector guidance concerning the operation of the Public Benefit requirement under the Act.

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2015

ACHIEVEMENTS AND PERFORMANCE

The Society's key charitable objectives are inextricably linked to the three major agricultural and horticultural shows, to CountryTastic which educates and entertains children and to the Farming Conference which disseminates relevant information to the farming and allied communities. These activities are supplemented through activities in Langdale Wood, the Perry Pear collection and the Environmental Lake.

In addition, each year the Society sets specific objectives for the following twelve months and those objectives together with performance against those objectives is shown below:

OBJECTIVES FOR 2015

- 1. Maintain the reputation of the Royal Three Counties Show as a premier agricultural show in the UK.**

It is now three years since this show received consent to use Royal in the title by Her Majesty the Queen and the show is now firmly known as the Royal Three Counties Show.

Year on year livestock numbers at this show have been among the highest for any show in the UK providing the reputation as the premier agricultural show in the region. This year was no exception.

Despite poor weather conditions on one of the three days, show visitor numbers were comparable to recent years. But it is not just the general public who enjoy this show. Breeders, producers, traders, rural support bodies and service providers attended the show in great numbers. A massive 88,000 people attended the show over its three days confirming it to be the perfect venue and opportunity for those working in the agricultural industry to meet, network, socialise and do business.

A real highlight of this show as always is the Grand Parade, where visitors are delighted to see proud stockmen showing their livestock together in the main arena.

- 2. Through the Society's shows promote British agriculture, horticulture, arboriculture, apiculture, forestry and rural affairs.**

The Society has always ensured that each of its shows is different so as to appeal to the varied interests of the different community sectors. Overall the topic which the Society promotes far exceeds its objectives.

Over recent years the Society has increased the profile of food at all shows particularly the RHS Malvern Spring Festival as an attempt to attract more visitors of a younger age. Research shows that this has been successful. Local providers promote and sell their produce in the food hall and artisan market. Where possible food concessions are required to provide food which qualifies for the Red Tractor mark of approval.

The shows provide the ideal setting for exhibitors of livestock to show their best exhibits in the livestock lines and the grand parade. The theatres are also a superb environment for product promotion.

- 3. Increase commercial revenue for all Society activities.**

The commercial department is responsible for generating the Society's income and commercial affairs. During this year the posts of Commercial manager and Marketing and Communications Manager were amalgamated in to a new post called Corporate Affairs Manager which is responsible for all commercial matters of the Society. Also a new appointment to the position of Venue Hire Co-ordinator was made.

During this year new sponsors Santander Bank were introduced as title sponsor of the Royal Three Counties Show and Worcester Bosch as major sponsor of the RHS Malvern Spring Festival resulting in the highest sponsorship income on record.

THREE COUNTIES AGRICULTURAL SOCIETY
ANNUAL REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2015

4. Establish a meaningful development plan for showground facilities.

The Board of Trustees and Council agreed a new showground development plan which supersedes the previous master plan. The new plan is closely linked to protecting and developing the Society's commercial income and includes both the refurbishment of existing facilities and development of new income generating streams. The first planning application has been submitted.

5. Continue to invest in the showground and improve standards through a programme of maintenance.

The Society invested £172k in repairs and maintenance during the year to ensure high standards were maintained for its shows and commercial hires. Visitors to Society and third party shows and events have commented how the overall appearance of the showground has improved.

A further £363k was invested in capital projects on the showground. The most significant projects included:

Low energy lighting and a new floor surface in Severn Hall, replacement of electric switchgear, further drainage and irrigation to the showground, alterations to the offices to accommodate the Commercial Department, an extension to the Hereford equine ring, and various items of hire equipment and new items of machinery to replace those coming to the end of their expected life.

6. Maintain positive operational cash flow

Positive cash flow was maintained throughout the year (defined as Earnings before interest, tax, depreciation and adjustments totalling £576k).

7. Provide education and community programmes which focus on science in agriculture, horticulture and countryside activities.

The Society's education programme is delivered mainly through its own shows with Countrytastic again introducing children aged 4 to 14 together with their parents to the world of food and farming and a wider understanding of the countryside through hands on activities.

Local and regional schools once again were a popular feature at the RHS Malvern Spring Festival. This was supported by former BBC's Blue Peter gardener Chris Collins who held horticultural workshops for children.

"Discover Dairy" was the main educational theme at the Royal Three Counties Show where, children gained an insight into such things as how to look after cows, how much milk they produce and what milk is used for. Adam Henson of BBC Countryfile held workshops for primary and secondary school pupils about the dairy industry in general.

The Autumn Show featured "Discover Harvest" where children learnt what harvest means, why we celebrate it and what is its relevance to the country and its economy. Hands on activities including bread making, school tug competition and a 'learning garden' provided a valuable learning experience.

The Society in recognising the importance of Education has formed a 'working group' to review its activities and to produce a new strategy plan for the future.

8. Ensure the process for managing risk to the Society and its activities is maintained and developed.

Review of potential major risks to the Society is the responsibility of the Society's Risk and Audit Review Committee. During the year the Committee has reviewed the Society's Risk Register, reviewed potential areas for reputational damage and reviewed and amended the terms of reference of its Committee. This work was also ratified by the Board of Trustees before being implemented.

THREE COUNTIES AGRICULTURAL SOCIETY
ANNUAL REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2015

9. Continue maintaining contact and a positive association with the neighbouring community.

Maintaining good relations with neighbours and the local community is of great importance to the Society. The Chief Executive attends annual meetings with parish councils, neighbourhood groups and environment agencies and also invites representatives from a wide range of local groups to attend an annual meeting at the showground where they can express any concerns.

10. Expand the Society's good practice concerning the environment and sustainability.

The Society once again achieved accreditation of ISO 14001 during the year following the annual assessment.

The relationship with the Malvern Hills Area of Outstanding Natural Beauty Partnership continues to strengthen. During this year the Society's Board of Trustees agreed to produce a Landscape Development Plan in conjunction with the Partnership which will ensure the showground is developed and maintained to a standard commensurate with its location for the years to come.

11. Continue to improve the quality of human resources through good recruitment, training, communication and clarity of roles and responsibilities

Five appointments were made during this year including a new post of part-time Assistant Show Manager, which considerably strengthens the shows administration team and contributes towards succession planning of this important department. Two new members of the estate team were appointed. These roles will focus on ground maintenance. A replacement of a higher calibre to the finance department was appointed again with succession planning in mind and the annual work placement intern from The University of Gloucestershire filled an essential role for the shows team.

Training of the Society's Liaison Officers who oversee third party events at the showground was a particular focus during this year and one new strong appointment was made to the team of five.

OBJECTIVES FOR 2016

The objectives for 2016, together with the strategies to achieve those objectives are set out below.

1. Continue to invest in the Royal Three Counties Show so as to maintain its standing as the premier agricultural show in the UK and one of the largest livestock shows.
2. Promote British agriculture, horticulture, arboriculture, apiculture, forestry and rural affairs through the Society's shows and activities.
3. Grow the Society's income through commercial initiatives.
4. Establish a showground development plan that supports all society activities and contributes towards protecting the future of the Society.
5. Continue to invest in the showground through a programme of repairs and maintenance increasing the quality and standard of facilities.
6. Maintain positive operational cash flow at all times.
7. Review the Society's Educational programme and establish and implement a plan which is in line with the Society's overall objectives and of which the Society can be proud.
8. Maintain and develop the Society's processes regarding risk management.
9. Continue to communicate with the Society's neighbours and maintain good relations at all times.
10. Expand the Society's knowledge and good practices relating to the environment and sustainability.
11. Improve the quality of human resources through effective recruitment, training and communication and a programme of succession planning.

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2015

STRATEGIES FOR ACHIEVING OBJECTIVES

The objectives will be developed through the use of the following strategies:

- A. Best practice in agriculture, horticulture, arboriculture, apiculture, locally produced food, the countryside and the rural economy will continue to be displayed through the ideal platform of the Society's Shows including CountryTastic, RHS Malvern Spring Festival, Royal Three Counties Show, Malvern Autumn Show and the Farming Conference.
- B. The Society's established communications with internal and external stakeholders relating to every aspect of the Society will continue through an effective flow of information.
- C. Commercial development of the Society will continue to be a focus of the Society to realise potential revenue opportunities in relation to attendance at shows, sponsorship, hospitality, venue hire, and membership.
- D. The Society will appoint an Education Working Group to determine a fresh Education Strategy which will deliver agricultural and horticultural based education to all age groups for at least the next five years.
- E. Regular consultation and engagement with local community groups will continue so as to maintain good relations.
- F. The Society will continue to develop its effective maintenance and repair programme so as to maintain high standards at all times. The recently agreed showground development plan will be progressed to improve the quality of facilities and visitor experience.
- G. Staff quality is key to the success of the Society. The Society will continue to recruit high calibre staff while giving consideration to succession planning and efficiency. Good practice regarding training, communication and good management of staff with a view to maintaining a motivated team will remain a priority.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Statement of Financial Activities (SoFA), set out on page 14, shows that total incoming resources increased by 6.5% to £4,995k and expenditure on charitable activities increased by 2.7% to £3,611k. Total resources expended amounted to £4,824k (2014: £4,603k) resulting in a net surplus for the year of £171k (2014: Surplus £89k). This resulted in total funds carried forward increasing by £148k to £4,269k (2014: increasing by £103k to £4,121k).

T.C.A. Trading Limited

The wholly-owned trading subsidiary enjoyed another successful year attracting additional events to the showground. Most annual events returned to the showground and several attracted greater rentals.

During 2015, most of the group's sponsorship activity was transferred to the trading subsidiary, resulting in revenue for the company increasing by 17.2% to £1,239k. (2014: £1,057k). The company undertakes the trading activities of the Society and generated a profit of £359k (2014: £291k). The full profit has been donated to the Society under the provisions of Gift Aid.

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2015

FINANCIAL MANAGEMENT POLICIES

Reserves Policy

As a matter of policy, each year the trustees review the value of the reserves retained in the form of investments. The Board considers the Society's exposure to major risks in terms of their likely impact on its income sources and planned expenditure in the short term.

The major risks are a decline in revenues from the major shows through inclement weather, a general downturn or change in economic conditions or Foot and Mouth or equivalent disease. In addition, the trading subsidiary is vulnerable to the same underlying economic circumstances.

Following this review, the trustees believe it is appropriate to hold in the investment portfolio sufficient holdings to allow the Society to be run efficiently, to provide a buffer against the short notice cancellation of a major show, to fund fixed capital renewals and maintenance to the Showground and provide between 6 and 12 months resource expended on administration and governance costs of the Society.

An additional amount is retained in money market deposits with two leading UK clearing banks on terms from 6 to 12 months.

Investment policy and performance

The Society, during the early part of 2014, invested an initial sum of £500k in a managed investment portfolio with a cautious to medium risk profile. During 2015 a further £212k was added in line with the Reserves Policy above. At the balance sheet date, the portfolio is valued at £706k. The difficult market conditions in the later part of 2015 resulted in the gains made in 2014 and early 2015 being eradicated. Following a recent review with the fund managers the trustees still consider this to be an appropriate vehicle for the Society.

EMPLOYEES

The Society aims to be an organisation where employees enjoy a sense of fulfilment and where they feel supported and developed. Employees are kept fully informed about its strategy and objectives, as well as day-to-day news and events. Information about the organisation is available through regular briefings and post show meetings. All employees are encouraged to give their suggestions and views on performance and strategy. The Society follows a policy of recruitment and promotion on the basis of aptitude and ability without discrimination.

PENSIONS

The Society operates a contributory defined contribution pension scheme in which all permanent employees are entitled to participate, together with a Workplace Pension for the appropriate employees.

RELATED PARTY TRANSACTIONS

The related party transactions are included in note 14 to these financial statements.

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2015

REFERENCE AND ADMINISTRATIVE INFORMATION

SECRETARY AND REGISTERED OFFICE

Ken Nottage

The Showground
Malvern
Worcestershire
WR13 6NW

PRESIDENT

The Viscount Cobham

VICE PRESIDENTS

Ruth Goodman
Adrian Hope
Philip Burford

CHIEF EXECUTIVE

Ken Nottage

MEMBERS OF THE BOARD

Chris Bailey (Chairman)
Michael Blandford
Richard Bradstock
Lindsey Craddock
Patrick Downes
Adrian Hope (from 04 December 2014)
Cate Morris (from 04 December 2014)
David Owens
Peter Rose (until 01 December 2015)
Michael Warner
Michael Weaver

AUDIT COMMITTEE

David Hall
Chris Lloyd
Mark Tufnell (Chairman)

MEMBERS OF COUNCIL

Chris Bailey
Jo Beswick
Michael Blandford (Chairman)
Richard Bradstock
Rod Brereton
Philip Burford
Alex Burgess
Lindsey Craddock
Clive Davies
Patrick Downes
Ruth Goodman
David Hall
Laura Hamilton
Francis Harcombe

THREE COUNTIES AGRICULTURAL SOCIETY
ANNUAL REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2015

MEMBERS OF COUNCIL continued

Maurice Hart
James Hawkins
Dene Hazelwood
Roger Head
Adrian Hope
Martin Hoskins
Arthur Hurran
Chris Lloyd
Richard Lutwyche
Henry Marfell
Glyn Morgan
Cate Morris
Barbara Norman
David Owens
Robin Pearce
Roger Phillips
Roy Phillips
Tania Phillips
Judy Proger
William Quan
Clive Roads
Peter Rose
Helen Smalley
Rodney Smallwood
David Smart
Chris Southgate
Mark Tufnell
Michael Warner
Graham Watkins
Dermot Weaver
Michael Weaver

THREE COUNTIES AGRICULTURAL SOCIETY
ANNUAL REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2015

PRINCIPAL PROFESSIONAL ADVISERS

Independent Auditor

Crowe Clark Whitehill LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Principal Bankers

National Westminster Bank plc
30 Church Street
Malvern
Worcestershire
WR14 2AY

Solicitors

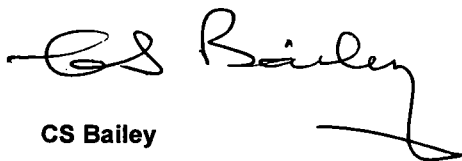
TA Matthews
National Westminster Bank Chambers
13A Broad Street
Leominster
HR6 8TZ

Investment Managers

Rathbone Investment Management Limited
Port of Liverpool Building
Pier Head
Liverpool
L3 1NW

The report of the trustees has been prepared in accordance with section 415A of the Companies Act 2006 relating to small companies.

This report was approved by the Board on 3 March 2016 and signed on their behalf.



CS Bailey
Chairman

THREE COUNTIES AGRICULTURAL SOCIETY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THREE COUNTIES AGRICULTURAL SOCIETY FOR THE YEAR ENDED 30 NOVEMBER 2015

We have audited the financial statements of Three Counties Agricultural Society Limited for the year ended 30 November 2015 which comprise the Consolidated Statement of Financial Activities, the Charity and Consolidated Balance Sheets and the related notes numbered 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 November 2015 and of the group's 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 Companies Act 2006 and the Charities Act 2011.

THREE COUNTIES AGRICULTURAL SOCIETY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THREE COUNTIES AGRICULTURAL SOCIETY (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2015

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees 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 Trustees Annual Report.

Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor

Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date: 29 March 2016

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THREE COUNTIES AGRICULTURAL SOCIETY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) FOR THE YEAR ENDED 30 NOVEMBER 2015

	Note	Unrestricted Fund £000	Total 2015 £000	Total 2014 £000
INCOMING RESOURCES				
Incoming resources from generated funds:				
Activities for generating funds – fundraising events		281	281	260
Trading subsidiary income	4	1,239	1,239	1,057
Investment income – interest receivable		22	22	8
Charitable activities:				
Incoming resources from agricultural and horticultural shows	2	3,453	3,453	3,367
TOTAL INCOMING RESOURCES		4,995	4,995	4,692
RESOURCES EXPENDED				
Costs of generating funds:				
Costs of fundraising events		249	249	239
Trading subsidiary expenditure	4	880	880	766
Investment management costs		5	5	2
Charitable activities:				
Agricultural and horticultural shows	2	3,611	3,611	3,517
Governance costs		79	79	79
TOTAL RESOURCES EXPENDED	6	4,824	4,824	4,603
NET INCOMING RESOURCES FOR THE YEAR BEFORE OTHER GAINS, BEING NET INCOME FOR THE YEAR				
		171	171	89
Realised (losses)/gains on investments		(4)	(4)	14
Unrealised (losses)/gains on investments		(19)	(19)	-
NET MOVEMENT IN FUNDS		148	148	103
Total funds brought forward	12	4,121	4,121	4,018
TOTAL FUNDS CARRIED FORWARD	12	4,269	4,269	4,121

The notes on pages 16 to 22 form part of these financial statements.

THREE COUNTIES AGRICULTURAL SOCIETY

CHARITY AND CONSOLIDATED BALANCE SHEETS

AS AT 30 NOVEMBER 2015

COMPANY NUMBER: 01568571

	Note	Consolidated		Charity	
		2015 £000	2014 £000	2015 £000	2014 £000
FIXED ASSETS					
Tangible assets	7	2,865	2,901	2,865	2,901
Investments	8	<u>706</u>	<u>516</u>	<u>706</u>	<u>516</u>
		<u>3,571</u>	<u>3,417</u>	<u>3,571</u>	<u>3,417</u>
CURRENT ASSETS					
Debtors	9	352	197	378	276
Cash at bank and in hand		<u>1,034</u>	<u>898</u>	<u>978</u>	<u>808</u>
		<u>1,386</u>	<u>1,095</u>	<u>1,356</u>	<u>1,084</u>
CREDITORS: due within one year	10	<u>(688)</u>	<u>(391)</u>	<u>(660)</u>	<u>(383)</u>
NET CURRENT ASSETS		<u>698</u>	<u>704</u>	<u>696</u>	<u>701</u>
NET ASSETS		<u>4,269</u>	<u>4,121</u>	<u>4,267</u>	<u>4,118</u>
FUNDS					
Unrestricted charitable funds	12	4,267	4,118	4,267	4,118
Funds retained in trading subsidiary	12	<u>2</u>	<u>3</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	12	<u>4,269</u>	<u>4,121</u>	<u>4,267</u>	<u>4,118</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the Board and were signed on their behalf on 3 March 2016



C S Bailey
Chairman

The notes on pages 16 to 22 form part of these financial statements.

THREE COUNTIES AGRICULTURAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2015

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements of the Charity and the Group are prepared in accordance with The Companies Act 2006, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (the Charities SORP) and with applicable accounting standards. The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The following paragraphs describe the specific policies adopted for the recognition of significant categories of incoming resources and expenditure.

Basis of Consolidation and preparation of financial statements

The Consolidated Statement of Financial Activities and Balance Sheet include the financial statements of Three Counties Agricultural Society and its subsidiary T.C.A. Trading Limited. T.C.A. Trading Limited is involved in the hire of venues and associated activities. All intergroup sales and profits are eliminated fully on consolidation.

The parent entity has taken the exemption from presenting its unconsolidated income and expenditure account under section 408 of The Companies Act 2006. The unconsolidated surplus for the year was £171,000 (2014: £89,000).

Going Concern

The charitable company has cash resources and has no requirement for external funding. The trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

Cash Flow Statement

The Charity has taken the exemption permitted for small entities by Financial Reporting Standard 1 and has not published a cash flow statement.

Incoming Resources from Charitable Activities

This income comprises income from shows staged in accordance with the Society's charitable objects.

Incoming Resources

Incoming resources represent invoiced amounts excluding Value Added Tax in respect of goods sold and services provided, and subscriptions, sponsorships and gate receipts received which relate to the current financial year. Life subscriptions are written off over a five year period.

Resources Expended

Costs of generating funds include direct and indirect costs attributed to activities involved in raising funds for the Charity. These include shows and other fundraising events.

Costs of charitable activities include direct and support costs attributed to activities in furtherance of the Charity's educational activities. These comprise primarily agricultural and horticultural shows.

Governance costs include direct and indirect expenditure involved in ensuring that the Charity complies with its charitable and statutory obligations.

Basis of Allocation and Apportionment of Costs

The allocation and apportionment of costs to T.C.A. Trading Limited is based on management's estimate of attributable costs incurred. The apportionment of costs for all shows and fundraising is based on the turnover for each show.

Funds Structure

Unrestricted funds are those funds available for use by the Charity for any charitable purpose at the discretion of the trustees.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Pension

The Charity operates two defined contribution schemes. Contributions are charged to the Statement of Financial Activities as they become due.

THREE COUNTIES AGRICULTURAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2015

1. STATEMENT OF ACCOUNTING POLICIES – continued

Taxation

As a registered charity, Three Counties Agricultural Society is entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes.

Tangible Fixed Assets and Depreciation

Fixed assets costing less than £500 are written off to the Statement of Financial Activities.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Permanent buildings	4% on cost
Property improvements	10% to 25% on cost
New wooden buildings	10% to 25% on cost
Plant and machinery	10% to 25% on cost
Motor vehicles	33% on cost
Office and show equipment	25% to 33% on cost
Land is not depreciated	

Investments

Fixed asset investments are stated at market value at the balance sheet date. Changes in the valuation of investments during the year are shown as unrealised gains or losses in the Statement of Financial Activities.

Recognition of Liabilities

Liabilities are recognised on an accruals basis, and once there is a legal or constructive obligation that commits the charity to the obligation.

2. AGRICULTURAL AND HORTICULTURAL ACTIVITIES – Incoming Resources and Resources Expended

Activity	Incoming Resources £000	Activities Undertaken Directly £000	Support Costs £000	Total Costs £000	2014 Total Costs £000
Agricultural and Horticultural shows	<u>3,453</u>	<u>3,412</u>	<u>199</u>	<u>3,611</u>	<u>3,517</u>

3. SUPPORT COSTS BREAKDOWN BY ACTIVITY

Support Costs	Generating Funds £000	Charitable Activities £000	Total Group £000	2014 Total Group £000
Management	3	36	39	46
Finance	5	65	70	105
Information technology	6	79	85	101
Human resources	<u>2</u>	<u>19</u>	<u>21</u>	<u>16</u>
Total	<u>16</u>	<u>199</u>	<u>215</u>	<u>268</u>

Basis of allocation

Support costs are allocated between Agricultural and Horticultural shows and Fundraising events on the basis of their respective income.

THREE COUNTIES AGRICULTURAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2015

4. INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES

Its trading results for the year, as extracted from the audited accounts, are summarised below:

	2015 £000	2014 £000
Turnover	1,239	1,057
Cost of sales	(205)	(186)
Gross profit	1,034	871
Administration	(675)	(580)
Operating profit	359	291
Interest received	-	-
Gift aid payment	(360)	(291)
Retained loss	<u>(1)</u>	<u>-</u>

Administration expenses include £656,958 (2014: £558,011) for services supplied by the Charity.

The net assets of this company are £1,691 (2014: £2,541).

5. RESOURCES EXPENDED

	2015 £000	2014 £000
Resources expended includes:		
Auditor's remuneration:		
for audit services	13	13
Depreciation for owned assets	398	375
Total staff costs comprised:		
Wages and salaries	1,112	1,071
Social security costs	84	83
Pension contributions	<u>52</u>	<u>47</u>
	<u>1,248</u>	<u>1,201</u>

The average number of full time equivalent employees in the year was:

	2015 No.	2014 No.
Office management	17	19
Permanent showground	11	11
Temporary office	2	2
Temporary showground	<u>1</u>	<u>1</u>
	<u>31</u>	<u>33</u>

Neither the trustees nor persons connected with them received any remuneration or other benefits from the charity or any connected organisation.

No expenses were reimbursed to trustees in 2015 or 2014.

One employee of the charity earned between £120,000 and £130,000 during the year (2014: one employee earned between £90,000 and £100,000). Pension contributions in respect of this employee were £30,500 (2014: £28,450)

THREE COUNTIES AGRICULTURAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2015

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Other costs	Depreciation	2015 Total	2014 Total
	£000	£000	£000	£000	£000
Agricultural and Horticultural shows	838	2,388	385	3,611	3,517
Costs of generating funds	64	177	13	254	241
Governance costs	<u>23</u>	<u>56</u>	<u>-</u>	<u>79</u>	<u>79</u>
Total for Charity	925	2,621	398	3,944	3,837
Trading costs of the Subsidiary	<u>323</u>	<u>557</u>	<u>-</u>	<u>880</u>	<u>766</u>
Total for Group	<u>1,248</u>	<u>3,178</u>	<u>398</u>	<u>4,824</u>	<u>4,603</u>

7. TANGIBLE FIXED ASSETS

	Freehold Land	Assets Under Construction	Buildings	Plant and Machinery	Motor Vehicles	Office and Show Equipment	Charity Total	Subsidiary	Group Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost									
1 December 2014	270	-	5,043	782	40	440	6,575	3	6,578
Additions	-	68	216	66	9	4	363	-	363
Disposals	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>(12)</u>	<u>-</u>	<u>-</u>	<u>(18)</u>	<u>(3)</u>	<u>(21)</u>
30 November 2015	<u>270</u>	<u>68</u>	<u>5,253</u>	<u>836</u>	<u>49</u>	<u>444</u>	<u>6,920</u>	<u>-</u>	<u>6,920</u>
Depreciation									
1 December 2014	-	-	2,781	554	33	306	3,674	3	3,677
Charge for the year	-	-	277	62	6	53	398	-	398
Charge on disposals	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>(12)</u>	<u>-</u>	<u>-</u>	<u>(17)</u>	<u>(3)</u>	<u>(20)</u>
30 November 2015	<u>-</u>	<u>-</u>	<u>3,053</u>	<u>604</u>	<u>39</u>	<u>359</u>	<u>4,054</u>	<u>-</u>	<u>4,054</u>
Net book values									
30 November 2015	<u>270</u>	<u>68</u>	<u>2,200</u>	<u>232</u>	<u>10</u>	<u>85</u>	<u>2,865</u>	<u>-</u>	<u>2,865</u>
30 November 2014	<u>270</u>	<u>-</u>	<u>2,262</u>	<u>228</u>	<u>7</u>	<u>134</u>	<u>2,901</u>	<u>-</u>	<u>2,901</u>

Included within fixed assets above are perpetual cups and trophies with a cost of £53,000. These have been held for a number of years and are fully written down at the Balance Sheet date.

THREE COUNTIES AGRICULTURAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2015

8. INVESTMENTS

	Charity Listed Investments	
	2015 £000	2014 £000
At 1 December 2014	494	-
Additions	212	480
Disposals	(34)	-
Unrealised (losses)/gains	<u>(19)</u>	<u>14</u>
	653	494
Cash balances awaiting reinvestment	<u>53</u>	<u>22</u>
At 30 November 2015	<u>706</u>	<u>516</u>
Historical cost	<u>709</u>	<u>502</u>

The charity owns 100% of the five £1 ordinary share capital of T.C.A. Trading Limited, which carries out the letting of facilities and associated activities.

No single listed investment held represent over 5% of the total portfolio.

The market value of investments held outside of the UK was £222,300 (2013: £176,957).

9. DEBTORS: due within one year

	Group		Charity	
	2015 £000	2014 £000	2015 £000	2014 £000
Trade debtors	287	149	243	103
Amounts owed from subsidiary company	-	-	77	125
Prepayments and accrued income	<u>65</u>	<u>48</u>	<u>58</u>	<u>48</u>
	<u>352</u>	<u>197</u>	<u>378</u>	<u>276</u>

10. CREDITORS: due within one year

	Group		Charity	
	2015 £000	2014 £000	2015 £000	2014 £000
Trade creditors	88	27	86	24
Taxation and social security	134	136	134	136
Accruals	152	100	151	100
Pension costs	3	3	3	3
Deferred income (see note 11)	299	118	278	118
Bank credit cards	4	-	4	-
Other creditors	<u>8</u>	<u>7</u>	<u>4</u>	<u>2</u>
	<u>688</u>	<u>391</u>	<u>660</u>	<u>383</u>

THREE COUNTIES AGRICULTURAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2015

11. DEFERRED INCOME

	Group		Charity	
	2015 £000	2014 £000	2015 £000	2014 £000
Balance at 1 December 2014	118	17	118	17
Released during the year	(118)	(17)	(118)	(17)
Income received in the year	<u>299</u>	<u>118</u>	<u>278</u>	<u>118</u>
Deferred income at 30 November 2015	<u>299</u>	<u>118</u>	<u>278</u>	<u>118</u>

Deferred income at 30 November 2015 represents income invoiced in respect of the Shows to be held in 2016.

12. STATEMENT OF FUNDS

	At 1 December 2014	Incoming Resources	Resources Expended	Gains/ (losses)	At 30 November 2015
	£000	£000	£000	£000	£000
Unrestricted Funds					
Charity	4,118	4,114	(3,942)	(23)	4,267
Trading Subsidiary	3	1,239	(1,240)	-	2
Eliminated on Consolidation	-	<u>(358)</u>	<u>358</u>	-	-
Total Funds	<u>4,121</u>	<u>4,995</u>	<u>(4,824)</u>	<u>(23)</u>	<u>4,269</u>

During the year new energy efficient lighting was installed in a further building at a cost of £19,397. A restricted post completion grant of £6,750 was received from Worcestershire County Council and taken straight to income.

13. CAPITAL COMMITMENTS

At the year-end there were no capital commitments (2014: £nil).

THREE COUNTIES AGRICULTURAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2015

14. RELATED PARTY TRANSACTIONS

The charity has taken advantage of the FRS 8 exemption from disclosing transactions with group entities.

During the year, property consultancy services to the value of £750 (2014: £486) were provided by Bruton Knowles, of which Patrick Downes is Managing Director and also a trustee of Three Counties Agricultural Society. As at the year end £nil (2014: £nil) was outstanding.

During the year a commercial vehicle was purchased by the Society value £9,000 (2014: £9,715) from Warners Motor Group, a company owned by Michael Warner who is a trustee of Three Counties Agricultural Society. As at the year end £nil (2014: £nil) was outstanding.

15. PENSION COMMITMENTS

The charity operates two defined contribution schemes. Contributions are charged to the Statement of Financial Activities as they become due. At the year end £3,459 (2014: £3,066) remained outstanding.