

Royal Agricultural Society of England

Trustees' report and financial statements

for the year ended 31 December 2021



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Royal Agricultural Society of England

Reference and administrative details of the Charity, its Trustees and advisers for the year ended 31 December 2021

Patron	Her Most Gracious Majesty The Queen
President	The Rt Hon Lord Benyon (resigned 13 April 2021)
Honorary Trustees	H.R.H. The Prince Philip, Duke of Edinburgh, KG, KT, OM, GBE (deceased 9 April 2021) H.R.H. The Prince of Wales, KG, KT, GCB, OM, AK, QSO, CC, PC, AOC H.R.H. The Duke of Gloucester, KG, GCVO, GCStJ, FRIBA H.R.H. The Countess of Wessex, GCVO, DStJ, CD R.F.H. Cowen, CBE The Lord Plumb of Coleshill, DL, FRAgS (deceased 15 April 2022)
Trustees	Philip Gready, Chair Alastair Morrison Joanna Price Nick Tapp FRAgS Michael Fiddes Julie Butler
Company and Charity registered numbers	RC000442 & 209961
Principal office	Stoneleigh Park Kenilworth Warwickshire CV8 2LZ
Chief operating officer	Roly Taplin
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Solicitors (charity, governance, commercial)	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF

**Chairman's statement
for the year ended 31 December 2021**

The chairman presents his statement for the year.

The Trustees report on a year which started with a third Covid-19 lockdown but ended with the prospect of a longer term solution to the pandemic in sight, thanks to the effective development of a vaccine by British scientists. The Society's activities which had been severely curtailed in 2020, have followed a similar low key path into 2021. However the changes taking place in the agricultural sector, promoted by Brexit and driven also by climate change, continued at pace and with limited resources we have been able to make a significant contribution to the debate on the future of British agriculture.

The hosting of shows continues to be of critical importance to RASE both in terms of knowledge exchange and also income generation. As reported last year, sadly the pandemic led to the cancellation of the 2020 Pig & Poultry show and in 2021 it was important to show our continuing support to this sector. The society therefore put on a virtual show on the 12th May, 2021 which was incredibly well supported by ABN, AHDB, Pig World and Poultry Business. The next live British Pig & Poultry Fayre will take place on Tuesday 10th and Wednesday 11th May, 2022 at NAEC Stoneleigh. We are extremely grateful to all exhibitors, sponsors and supporters who have worked with us over this difficult period and in particular to Alice Bell who has managed the show programme with great skill on behalf of the Society.

The Society, together with 15 other agricultural societies, continues to support and work closely with our sister charity Innovation for Agriculture (IfA) in the delivery of our charitable objectives. Despite the challenges of the pandemic IfA has increased its support to UK farmers at an impressive rate. Key focus areas for the organisation include soil and water quality, livestock health and welfare and regenerative agriculture. Looking to the future, the supportive relationship between IfA and RASE remains strong and both organisations look forward to working together on future projects.

The Society were delighted to celebrate the annual awards programme which was hosted by the Barnston Estate on 9th September, 2021. The Excellence in Practical Farming Award was presented to Tim May of Kingsclere Estates, the National Agricultural Award was presented to Ian Pigott and the Bledisloe Gold Medal for Landowners was awarded to Sir Nicholas Bacon, owner of the Raveningham Estate. I would like to acknowledge and thank the awards committee for their time and dedication to the awards programme.

During the course of the year RASE has commissioned and supported the production of a comprehensive report entitled 'Farm of the Future – Journey to Net Zero'. A briefing paper for COP26 was issued in November and the full report has been launched in March, 2022 <https://www.rase.org.uk/reports>. It is intended that this report will be used to disseminate best available science and practice to the farming and wider rural community.

Work has continued on the new HS2 rail link and this has caused great changes to the landscape in and surrounding Stoneleigh Park. Land has been compulsory acquired for the rail link and the local infrastructure has been improved to facilitate the works. It should be noted that this presents challenges and implications to the shows which we hold on the site going forward, but also opportunities for future development.

During the course of the year RASE Trustees met to review the Society's strategy. It was agreed that the strategy should be updated in order that RASE can make a more impactful contribution to the complex debates and issues facing the nation in its use of land and for the agricultural industry more broadly. The vision for the organisation is to become financially resilient, working in a facilitative way with partners on both knowledge creation and dissemination. In time activities undertaken from within the organisation may broaden, in the short term much of the work will be delivered with external partners. The activities will be focussed on building credible thought leadership and influence.

I would report that Andrew Lazenby left his role of CEO of RASE and IfA on 28th June, 2021 and he has been replaced on a temporary basis by Roly Taplin, a highly experienced leader and administrator, formally Vice President of Agri-food at DHL Supply Chain. We plan to recruit a permanent CEO in 2022. The Society has a strong balance sheet and sufficient cash reserves to enable it to continue to carry out its valuable work and critically to attract a first class CEO to lead and take the charity forward into the future.

Chairman's statement (continued)
for the year ended 31 December 2021

I would like to thank the Board of Trustees for their valuable input and support throughout the year, giving up so much of their time, and our staff for their dedication to the work of the society throughout the year. Finally I would like to thank our outgoing President, Richard Benyon for his very clear and effective leadership of the Society over the past year. He has been a great strength and support to the Society and we wish him well in his new position as Agricultural Minister in the House of Lords.



P J Gready
Chairman

Date: 19 May 2022

**Trustees' report
for the year ended 31 December 2021**

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 January 2021 to 31 December 2021.

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.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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 Chairman's statement on pages 2 & 3.

c. Activities undertaken to achieve objectives

Details of our activities are set out in the Chairman's statement on pages 2 & 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.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity 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 statement on pages 2 & 3.

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

The principal sources of income for the Society in 2021 are membership income. There was no physical show held during 2021. 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 20 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 £6,124k (2020: £6,098k). However, there were functional fixed assets in charitable use and Investment Properties of £4,500k (2020: £4,501k) resulting in free reserves of £1,624k (2020: £1,597k).

e. Pension

Total unrestricted funds as shown in the accounts include a funding deficit of £nil (2020: £nil) calculated under FRS102 in respect of the Charity's defined benefit pension scheme.

The full calculation showed a surplus of £2,201k (2020: £70k), 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 2021 have led to gain on investment assets of £14k (2020: gain £6k).

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. Methods 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. Organisational structure and decision-making 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 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.

d. Financial 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 exposure to the major risks.

Trustees' report (continued)
for the year ended 31 December 2021

Statement of Trustees' responsibilities

The Trustees 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).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

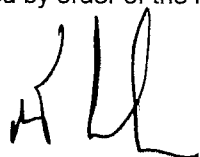
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity'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 charity's auditors are aware of that information.

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 19 May 2022 and signed on their behalf by:



Philip Gready
Chairman

Opinion

We have audited the financial statements of Royal Agricultural Society of England (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources 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 charity 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

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the Members of Royal Agricultural Society of England (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the financial reporting legislation, Charities Act 2011, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

Independent auditors' report to the Members of Royal Agricultural Society of England (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC, relevant regulators and the charity's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Use of our report

This report is made solely to the charity'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 charity'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 charity 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

19 May 2022

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

Royal Agricultural Society of England

Statement of financial activities
for the year ended 31 December 2021

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Endowment funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income and endowments from:						
Donations and legacies	4	96	-	-	96	48
Charitable activities	5	20	-	-	20	19
Other trading activities	6	231	-	-	231	222
Investments	7	-	3	-	3	3
Other income	8	-	-	-	-	331
Total income and endowments		347	3	-	350	623
Expenditure on:						
Raising funds		280	-	-	280	293
Charitable activities	9	41	-	-	41	79
Total expenditure		321	-	-	321	372
Net income / (expenditure) before net gains on investments		26	3	-	29	251
Net gains on investments		-	-	14	14	6
Net movement in funds		26	3	14	43	257
Reconciliation of funds:						
Total funds brought forward	20	6,098	41	110	6,249	5,992
Net movement in funds		26	3	14	43	257
Total funds carried forward	20	6,124	44	124	6,292	6,249

The notes on pages 15 to 35 form part of these financial statements.

Royal Agricultural Society of England

Balance sheet As at 31 December 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	14	-	1
Investments	16	154	137
Investment property	15	4,500	4,500
		<u>4,654</u>	<u>4,638</u>
Current assets			
Debtors: amounts falling due after more than one year	17	609	625
Debtors: amounts falling due within one year	17	248	384
Cash at bank and in hand		1,014	1,193
		<u>1,871</u>	<u>2,202</u>
Creditors: amounts falling due within one year	18	(199)	(550)
Net current assets		<u>1,672</u>	<u>1,652</u>
Total assets less current liabilities		<u>6,326</u>	<u>6,290</u>
Creditors: amounts falling due after more than one year	19	(34)	(41)
Total net assets		<u><u>6,292</u></u>	<u><u>6,249</u></u>
Charity funds			
Endowment funds	20	124	110
Restricted funds	20	44	41
Unrestricted funds	20	6,124	6,098
Total funds		<u><u>6,292</u></u>	<u><u>6,249</u></u>

The financial statements were approved and authorised for issue by the Trustees on 19 May 2022 and signed on their behalf by:



Philip Gready
Chair of the Board of Trustees

The notes on pages 15 to 35 form part of these financial statements.

Royal Agricultural Society of England

Statement of cash flows
for the year ended 31 December 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash used in operating activities	23	(180)	(41)
Cash flows from investing activities			
Dividends, interests and rents from investments		3	3
Proceeds from sale of investment property and land		-	1,106
Net cash provided by investing activities		3	1,109
Cash flows from financing activities			
Cash inflows from new borrowing		-	27
Repayments of borrowing		(2)	-
Net cash (used in)/provided by financing activities		(2)	27
Change in cash and cash equivalents in the year		(179)	1,095
Cash and cash equivalents at the beginning of the year		1,193	98
Cash and cash equivalents at the end of the year	24	1,014	1,193

The notes on pages 15 to 35 form part of these financial statements

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 in the reference and administrative details page of these financial statements. The nature of the charity's operations and principal activities are given in the Chairman's Statement and Trustees report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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.

2.2 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.

2. Accounting policies (continued)

2.3 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

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 2021 relating to the 2021/22 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.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it 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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 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.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The Charity 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 Charity 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.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 33% straight line
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2. Accounting policies (continued)

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

2.9 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.

2.10 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.

2.11 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.

2.12 Liabilities 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.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

2.13 Financial instruments

The Charity 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.

2.14 Employee benefits

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity 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.

2. Accounting policies (continued)

2.15 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 Charity and which have not been designated for other purposes.

Endowment funds are those funds that are required to be invested or retained in furtherance of the charity's objectives and 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 Charity 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.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

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.

The fair value of investment property is estimated based on recent sales data for similar property and on offers received to purchase the property.

The defined benefit pension scheme asset is estimated by placing reliance on an external FRS102 report produced by a professional actuary.

Notes to the financial statements
for the year ended 31 December 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £000	Total funds 2021 £000
Donations	96	96

	Unrestricted funds 2020 £000	Total funds 2020 £000
Donations	48	48

5. Income from charitable activities

	Unrestricted funds 2021 £000	Total funds 2021 £000
Membership subscriptions	20	20

	Unrestricted funds 2020 £000	Total funds 2020 £000
Membership subscriptions	19	19

Notes to the financial statements
for the year ended 31 December 2021

6. Income from other trading activities

Fundraising income

	Unrestricted funds 2021 £000	Total funds 2021 £000
Property	36	36
Other	195	195
	<u>231</u>	<u>231</u>

	Unrestricted funds 2020 £000	Total funds 2020 £000
Property	40	40
Other	182	182
	<u>222</u>	<u>222</u>

7. Investment income

	Restricted funds 2021 £000	Total funds 2021 £000
Dividend income	3	3

	Restricted funds 2020 £000	Total funds 2020 £000
Dividend income	3	3

Notes to the financial statements
for the year ended 31 December 2021

8. Other incoming resources

	Total funds 2021 £000
Surplus on disposal of investment property and land	-

	Unrestricted funds 2020 £000	Total funds 2020 £000
Surplus on disposal of investment property and land	331	331

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £000	Total funds 2021 £000
Membership services	41	41

	Unrestricted funds 2020 £000	Total funds 2020 £000
Membership services	79	79

Notes to the financial statements
for the year ended 31 December 2021

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000
Membership services	1	39	40

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Membership services	1	78	79

Analysis of direct costs

	Membership services 2021 £000	Total funds 2021 £000
Direct costs	1	1

	Membership services 2020 £000	Total funds 2020 £000
Direct costs	1	1

Notes to the financial statements
for the year ended 31 December 2021

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Membership services 2021 £000	Total funds 2021 £000
Staff costs	34	34
Auditor's remuneration	5	5
	<u>39</u>	<u>39</u>
	Membership services 2020 £000	Total funds 2020 £000
Staff costs	72	72
Auditor's remuneration	5	5
General expenses	1	1
	<u>78</u>	<u>78</u>

Notes to the financial statements
for the year ended 31 December 2021

11. Staff costs

	2021 £000	2020 £000
Wages and salaries	34	72
Social security costs	4	5
Pension costs	2	3
	<u>40</u>	<u>80</u>

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

	2021 No.	2020 No.
Staff	<u>2</u>	<u>2</u>

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 2021 the total amounts paid to key management personnel was £43,055 (2020 - £41,612).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, expenses totalling £1,176 were reimbursed or paid directly to 1 Trustee in respect of travel and accommodation (2020 - £NIL).

An Honoraria of £Nil (2020 - £10,000) was paid to the Chairman to facilitate Fundraising efforts.

13. Net income/(expenditure)

This is stated after charging:

	2021 £000	2020 £000
Depreciation of tangible fixed assets	-	1
Auditor's remuneration - audit	5	5
Auditor's remuneration - non-audit services	<u>6</u>	<u>-</u>

14. Tangible fixed assets

	Computer equipment £000
Cost	
At 1 January 2021	1
Disposals	(1)
At 31 December 2021	<u>-</u>
Net book value	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>1</u>

Notes to the financial statements
for the year ended 31 December 2021

15. Investment property

	Freehold investment property £000
Valuation	
At 1 January 2021	4,500
At 31 December 2021	<u>4,500</u>

The 2021 valuations were made by the Trustees, on an open market value for existing use basis.

16. Fixed asset investments

	Listed investments £000
Market valuation	
At 1 January 2021	137
Additions	3
Revaluations	14
At 31 December 2021	<u>154</u>

All the fixed asset investments are held in the UK.

17. Debtors

	2021 £000	2020 £000
Due after more than one year		
Prepayments and accrued income	<u>609</u>	<u>625</u>
Due within one year		
Trade debtors	52	317
Other debtors	20	16
Prepayments and accrued income	176	51
	<u>248</u>	<u>384</u>

Notes to the financial statements
for the year ended 31 December 2021

18. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Bank loans	5	1
Trade creditors	65	109
Other taxation and social security	1	130
Other creditors	76	116
Accruals and deferred income	52	194
	<u>199</u>	<u>550</u>
	2021 £000	2020 £000
Deferred income at 1 January	149	17
Resources deferred during the year	15	149
Amounts released from previous periods	(149)	(17)
Deferred income at 31 December	<u>15</u>	<u>149</u>

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

	2021 £000	2020 £000
Bank loans	20	26
Accruals and deferred income	14	15
	<u>34</u>	<u>41</u>

The charity took out a 2.5% fixed rate bounce back loan in the prior year totalling £27,250. The loan's capital and interest is repayable in quarterly instalments through to July 2026.

Notes to the financial statements
for the year ended 31 December 2021

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2021 £000
Unrestricted funds					
General Funds	6,098	347	(321)	-	6,124
Endowment funds					
RASE Landowner gold medal	34	-	-	4	38
Farm & Rural building centre	76	-	-	10	86
	110	-	-	14	124
Restricted funds					
RASE Landowner gold medal	14	1	-	-	15
Farm & Rural building centre	27	2	-	-	29
	41	3	-	-	44
Total of funds	6,249	350	(321)	14	6,292

Notes to the financial statements
for the year ended 31 December 2021

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2020 £000
Unrestricted funds					
General Funds	5,850	620	(372)	-	6,098
Endowment funds					
RASE Landowner gold medal	32	-	-	2	34
Farm & Rural building centre	72	-	-	4	76
	104	-	-	6	110
Restricted funds					
RASE landmower gold medal	13	1	-	-	14
Farm & Rural building centre	25	2	-	-	27
	38	3	-	-	41
Total of funds	5,992	623	(372)	6	6,249

21. Summary of funds

Summary of funds - current year

	Balance at 1 January 2021 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2021 £000
General funds	6,098	347	(321)	-	6,124
Endowment funds	110	-	-	14	124
Restricted funds	41	3	-	-	44
	6,249	350	(321)	14	6,292

Notes to the financial statements
for the year ended 31 December 2021

21. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 January 2020 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2020 £000
General funds	5,850	620	(372)	-	6,098
Endowment funds	104	-	-	6	110
Restricted funds	38	3	-	-	41
	<u>5,992</u>	<u>623</u>	<u>(372)</u>	<u>6</u>	<u>6,249</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Endowment funds 2021 £000	Total funds 2021 £000
Fixed asset investments	-	30	124	154
Investment property	4,500	-	-	4,500
Debtors due after more than one year	609	-	-	609
Current assets	1,248	14	-	1,262
Creditors due within one year	(199)	-	-	(199)
Creditors due in more than one year	(34)	-	-	(34)
Total	<u>6,124</u>	<u>44</u>	<u>124</u>	<u>6,292</u>

Notes to the financial statements
for the year ended 31 December 2021

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Endowment funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	1	-	-	1
Fixed asset investments	-	27	110	137
Investment property	4,500	-	-	4,500
Debtors due after more than one year	625	-	-	625
Current assets	1,563	14	-	1,577
Creditors due within one year	(550)	-	-	(550)
Creditors due in more than one year	(41)	-	-	(41)
Total	6,098	41	110	6,249

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

	2021 £000	2020 £000
Net income for the year (as per Statement of Financial Activities)	43	257
Adjustments for:		
Gains on investments	(14)	(6)
Dividends, interests and rents from investments	(3)	(3)
Surplus on disposal of investment property and land	-	(331)
Decrease/(increase) in debtors	152	(278)
(Decrease)/increase in creditors	(358)	320
Net cash used in operating activities	(180)	(41)

24. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand	1,014	1,193
Total cash and cash equivalents	1,014	1,193

Notes to the financial statements
for the year ended 31 December 2021

25. Analysis of changes in net debt

	At 1 January 2021 £000	Cash flows £000	At 31 December 2021 £000
Cash at bank and in hand	1,193	(179)	1,014
Debt due within 1 year	(1)	(4)	(5)
Debt due after 1 year	(26)	6	(20)
	<u>1,166</u>	<u>(177)</u>	<u>989</u>

26. 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 £1,977 (2020 - £2,627). Contributions totalling £247 (2020 - £1,104) were payable to the fund at the balance sheet date and are included in creditors.

Defined benefit pension scheme

The Charity 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 £2,201,000 (2020: £70,000). 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 2021 and then recalculated based on the following assumptions:

Notes to the financial statements
for the year ended 31 December 2021

26. Pension commitments (continued)

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

	At 31 December 2021 %	At 31 December 2020 %
Discount rate at 31 December	1.95	1.40
Rate of increase in price (RPI)	3.30	2.90
Rate of increase in price (CPI)	2.45	2.05
Rate of statutory revaluation	2.45	2.05

The Charity's share of the assets in the scheme was:

	At 31 December 2021 £000	At 31 December 2020 £000
Present value of funded obligations	(14,304)	(15,185)
Fair value of scheme assets	16,505	15,255
Surplus not recognised	(2,201)	(70)
Net value of pension scheme	-	-

The actual return on scheme assets was £1,749,000 (2020 - £1,116,000).

Notes to the financial statements
for the year ended 31 December 2021

26. Pension commitments (continued)

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

	2021 £000
Opening defined benefit obligation	15,185
Interest cost	209
Actuarial gains	(591)
Benefits paid	(499)
Closing defined benefit obligation	14,304

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2021 £000
Opening fair value of scheme assets	15,255
Return on Scheme assets excluding interest income	1,540
Interest income	209
Benefits paid	(499)
Closing fair value of scheme assets	16,505

27. Related party transactions

The Society is controlled by the Directors (the Trustees), whose names are shown on page 1. The Charity has paid for Professional Indemnity Insurance however the premium cost is not separately identifiable within the overall insurance cover premium (2020 - £467). 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 £26,951 (2020 - £29,112) to Innovation for Agriculture, a related party due to the Society being a member of Innovation for Agriculture, for rent and office running costs.

At the year end £14,883 (2020 - £929) was due from Innovation for Agriculture.