

Royal Agricultural Society of England

Trustees' Report and Financial Statements

for the year ended 31 December 2022



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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 2022

Honorary Trustees	Her Most Gracious Majesty The Queen (deceased 8 September 2022) 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
Chief executive officer	David Grint
Independent auditors	Dains Audit Limited 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 2022

The chairman presents his statement for the year.

During the course of this year we were greatly saddened by the loss of Her Majesty Queen Elizabeth who played such a pivotal role in the Society both as our Patron from 1953 to 2022 and President in 1949, 1954 and 1988. Her Majesty Queen Elizabeth took an active role in farming and was a strong supporter of the work undertaken by the Society.

As we continue to mourn the profound loss of Her Majesty Queen Elizabeth, the Society would like to join the Nation in celebrating the coronation of His Majesty King Charles and Her Majesty Queen Camilla. We very much look forward to maintaining our longstanding alliance with the Royal Family in the forthcoming years.

I am pleased to report on a year which was free from the disruption caused in the past two years from Covid-19 and this allowed the Society to return to full operation. The appointment of a new CEO was at the top of the agenda and I am very pleased to report that in October we welcomed David Grint as our Chief Executive and he has made excellent progress in getting to know the Society and in leading our strategic programme for 2023. I do hope that you will find an opportunity to meet David during the course of this current year.

The hosting of shows continues to be of critical importance to the Society both in terms of knowledge exchange and also income generation. The 2022 Fair took place at NAEC Stoneleigh in May and despite the dire state of the pig, poultry and egg sectors was a success. Even with lower attendance numbers, many exhibitors cited it as their best event ever having seen the serious farmers they want to do business with. Sadly, the event can no longer take place at Stoneleigh as one third of the indoor space used this year will no longer be available in 2024 and beyond. The Fair is now a substantial event and the only centrally located venue which can accommodate it is the Birmingham NEC, which offers high quality, well connected indoor event space. We will be working to ensure all our exhibitors are able to secure the stand space they require for the 2024 Fair. We are extremely grateful to the continued support of our sponsors and in particular to ABN, AHDB, Pig World and Poultry Business. The next Fair will take place on 15th & 16th May 2024 at the NEC Birmingham.

The Society continues to work closely alongside our sister Charity Innovation for Agriculture on the delivery of our charitable objectives in particular the dissemination of the Farm of the Future Report. 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 will be further strengthened and both organisations look forward to continuing working alongside one another.

The Society were delighted to celebrate the success of British Farming through the annual awards programme with the Bledisloe Day being hosted by Nico Bacon at Raveningham this year.

The Society's Awards programme remains a major part of our strategy and aims to celebrate and acknowledge the very best achievements in British Agriculture. Four awards were presented at the Society's annual Bledisloe day held on 8th September 2022. The event was kindly hosted by last year's winner of the prestigious Bledisloe Gold Medal for Landowners; the Raveningham Estate. First awarded in 1957, the Bledisloe Gold Medal is awarded in recognition of a landowner "demonstrating outstanding achievement in the successful land management and development of an agricultural estate in England". As such, this year the Bledisloe Gold Medal was presented to Her Majesty the Queen's Royal Sandringham and Windsor Estates. We were honoured to have been able to make the award to Her Majesty's Estates on the year of her Jubilee and Her Majesty's final year as our Sovereign. We will forever be indebted for her patronage and support to the Royal Agricultural Society of England and service to agriculture and to the nation. Along with the Bledisloe Gold Medal, the society additionally awarded the 'Excellence in Practical Farming' Award which was presented to mixed farmer Edwin Taylor of Durhamfield Farm, and 'The National Agricultural Award' which was presented to Graeme Cock, Chairman of Mole Valley Farmers. Also presented was the RASE Science and Practice award to Professor Simon Pearson, Director of the Lincoln Institute of Agri-Food Technology. The award was well deserved for his leadership of the team at Lincoln that combines robotics, agri-tech, and crop science to enhance productivity and sustainability. The society are most grateful to Raveningham Estates for hosting such an enjoyable day which celebrated the very best achievements of British Agriculture. I would further like to thank the Awards Committee, for their time and dedication to the Awards programme.

**Chairman's statement (continued)
for the year ended 31 December 2022**

In March of this year, the Society commissioned and supported the production of a comprehensive report entitled 'Farm of the Future – Journey to Net Zero' that offers farmers, land managers, industry stakeholders and policymakers a vision of change for the industry. The Report provides policy insights and background on key priorities and technology to help enable the transition to a low-carbon farming future. It presents current and emerging solutions in areas such as soil health and resource management, renewable energy, low emission agricultural vehicles, alternative fuels, and emerging technologies. The report also examines options to decarbonise specific farm sectors (dairy/ruminants, cereals, intensive livestock, and horticulture), and suggests practical steps towards a more circular and resource efficient rural economy. The report is aimed primarily at farmers and rural stakeholders, but also provides information and recommendations for Government departments and other policy makers tasked with developing strategies and future support schemes for farming and the land-based sector. A particular area of focus is upon transition to the Environmental Land Management Scheme applicable across England and how this will impact upon future farming practices. I would like to thank Richard Gueterbock, Angela Bywater, Mike Woollacott and his fellow co-editors for their contribution to the Report, without whom the Report would not exist. The Society is grateful to you all. You can access the full report via: <https://www.rase.org.uk/reports>.

Our sister charity, Innovation for Agriculture hosted a pioneering demonstration event alongside Harper Adams on 13th April 2023 which brought the report to life and provided an opportunity for farmers to explore and better understand the necessary farm level changes required to practically undertake the challenge of Net Zero by 2040.

Work continues at pace on the new HS2 rail link and in addition to the land which has been the subject of compulsory purchase, the Society has been party to a lease of additional land for storage and to facilitate construction. More generally representations have been made together with our tenants for the future long-term development of the site as part of the normal planning process.

The ongoing Strategy for the Society will be reviewed in 2023 as part of our new CEO's brief in conjunction with the Trustees. The renewed strategy seeks to that the Society makes 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 and will focus on building credible thought leadership and influence.

During the course of the year, we received a generous donation from the Townsend Estate for which the Society is immensely grateful. Mr. Townsend's generous gift will help us further develop our strategy into 2023 and beyond.

I report that our interim COO Roly Taplin left the organisation in October 2022 having completed 15 months and has helped stabilise the Society during and post covid, I would like to thank Roly for his highly professional and diligent work which has been of great value.

It remains with me to thank on your behalf our team at Stoneleigh and extend my thanks to my co trustees for their enormous contributions and dedication.



P J Gready
Chairman

Date: 23 May 2023

**Trustees' report
for the year ended 31 December 2022**

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 January 2022 to 31 December 2022.

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.

e. Review of activities

Details of our Achievements and Performance are set out in the Chairman's statement on page 2 & 3.

**Trustees' report (continued)
for the year ended 31 December 2022**

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 source of income for the Society in 2022 is event income. The only show that has taken place during 2022 is the Pig & Poultry event. 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 £6,640k (2021 - £6,138k). However, there were functional fixed assets in charitable use of £5,104k (2021 - £4,500k) resulting in free reserves of £1,536k (2021 - £1,638k).

e. Pension

Total unrestricted funds as shown in the accounts include a funding deficit of £nil (2021 - £nil) calculated under FRS102 in respect of the Charity's defined benefit pension scheme.

The full calculation showed a surplus of £3,705k (2021: £2,201k), 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 2022 have led to loss on investment assets of £13k (2021 - gain of £14k).

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. Policies adopted for the induction and training of Trustees

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

**Trustees' report (continued)
for the year ended 31 December 2022**

Structure, governance and management (continued)

e. Pay policy for key management personnel

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

f. 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.

Plans for future periods

The Society continues to support the "Innovations for Agriculture" initiative and is preparing for the digital Pig & Poultry show in 2021 with a full return to events programming planned for 2022.

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.

**Trustees' report (continued)
for the year ended 31 December 2022**

Auditors

The Trustees, having been notified of the cessation of the partnership known as Dains LLP, resolved that Dains Audit Limited be appointed as successor auditor with effect from 1 April 2022. The designated Trustees will propose a motion reappointing Dains Audit Limited at a meeting of the Trustees.

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



Philip Gready
Chairman

Date: 23 May 2023

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

Opinion

We have audited the financial statements of Royal Agricultural Society of England (the 'charity') for the year ended 31 December 2022 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 2022 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.

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

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 company, 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 company'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; and
- 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 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

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

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 Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

23 May 2023

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

**Statement of financial activities
for the year ended 31 December 2022**

	Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Endowment funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income and endowments from:						
Donations and legacies	4	153	-	-	153	96
Charitable activities	5	18	-	-	18	20
Other trading activities	6	329	-	-	329	231
Investments	7	1	3	-	4	3
Total income and endowments		501	3	-	504	350
Expenditure on:						
Raising funds		433	-	-	433	280
Charitable activities	8	152	-	-	152	41
Total expenditure		585	-	-	585	321
Net income / (expenditure)		(84)	3	-	(81)	29
Net (losses)/gains on investments		-	-	(13)	(13)	14
Net movement in funds before other recognised gains		(84)	3	(13)	(94)	43
Other recognised gains:						
Gains on revaluation of investment property		600	-	-	600	-
Net movement in funds		516	3	(13)	506	43
Reconciliation of funds:						
Total funds brought forward	20	6,124	44	124	6,292	6,249
Net movement in funds		516	3	(13)	506	43
Total funds carried forward	20	6,640	47	111	6,798	6,292

The notes on pages 16 to 36 form part of these financial statements.

Royal Agricultural Society of England

Balance sheet As at 31 December 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	14	1,104	-
Investment property	15	4,000	4,500
Investments	16	144	154
		5,248	4,654
Current assets			
Debtors: amounts falling due after more than one year	17	593	609
Debtors: amounts falling due within one year	17	350	248
Cash at bank and in hand		863	1,014
		1,806	1,871
Creditors: amounts falling due within one year	18	(228)	(199)
Net current assets		1,578	1,672
Total assets less current liabilities		6,826	6,326
Creditors: amounts falling due after more than one year	19	(28)	(34)
Total net assets		6,798	6,292
Charity funds			
Endowment funds	20	111	124
Restricted funds	20	47	44
Unrestricted funds	20	6,640	6,124
Total funds		6,798	6,292

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

Philip Gready
Chairman

Date: 23 May 2023

The notes on pages 16 to 36 form part of these financial statements.

**Statement of cash flows
for the year ended 31 December 2022**

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash used in operating activities	23	(146)	(180)
Cash flows from investing activities			
Dividends, interests and rents from investments		4	3
Purchase of tangible fixed assets		(4)	-
Net cash provided by investing activities		-	3
Cash flows from financing activities			
Repayments of borrowing		(5)	(2)
Net cash used in financing activities		(5)	(2)
Change in cash and cash equivalents in the year		(151)	(179)
Cash and cash equivalents at the beginning of the year		1,014	1,193
Cash and cash equivalents at the end of the year	24	863	1,014

The notes on pages 16 to 36 form part of these financial statements

**Notes to the financial statements
for the year ended 31 December 2022**

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.

**Notes to the financial statements
for the year ended 31 December 2022**

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 2022 relating to the 2022/23 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.

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

All expenditure is inclusive of irrecoverable VAT.

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.

**Notes to the financial statements
for the year ended 31 December 2022**

2. Accounting policies (continued)

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 revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a Charity may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the statement of financial activities, with a separate revaluation reserve being shown in the Statement of funds note.

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 bases:

Freehold property	- Buildings 2% straight-line; Land not depreciated
Computer equipment	- 33% straight line

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. Accounting policies (continued)

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.

2.15 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 freehold 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 2022

4. Income from donations and legacies

	Unrestricted funds 2022 £000	Total funds 2022 £000
Donations	3	3
Legacies	150	150
	<u>153</u>	<u>153</u>

	Unrestricted funds 2021 £000	Total funds 2021 £000
Donations	96	96
	<u>96</u>	<u>96</u>

5. Income from charitable activities

	Unrestricted funds 2022 £000	Total funds 2022 £000
Membership subscriptions	18	18
	<u>18</u>	<u>18</u>

	Unrestricted funds 2021 £000	Total funds 2021 £000
Membership subscriptions	20	20
	<u>20</u>	<u>20</u>

Notes to the financial statements
for the year ended 31 December 2022

6. Income from other trading activities

Fundraising income

	Unrestricted funds 2022 £000	Total funds 2022 £000
Property	38	38
Other	291	291
	<u>329</u>	<u>329</u>

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

7. Investment income

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000
Dividend income	-	3	3
Bank interest	1	-	1
	<u>1</u>	<u>3</u>	<u>4</u>

	Restricted funds 2021 £000	Total funds 2021 £000
Dividend income	3	3
	<u>3</u>	<u>3</u>

Notes to the financial statements
for the year ended 31 December 2022

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £000	Total 2022 £000
Membership services	152	152

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

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £000	Grant funding of activities 2022 £000	Support costs 2022 £000	Total funds 2022 £000
Membership services	10	75	67	152

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

Notes to the financial statements
for the year ended 31 December 2022

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Membership services 2022 £000	Total funds 2022 £000
Direct costs	10	10

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

Analysis of support costs

	Membership services 2022 £000	Total funds 2022 £000
Staff costs	61	61
Auditor's remuneration	5	5
Other support costs	1	1
	<u>67</u>	<u>67</u>

	Membership services 2021 £000	Total funds 2021 £000
Staff costs	34	34
Auditor's remuneration	5	5
	<u>39</u>	<u>39</u>

Notes to the financial statements
for the year ended 31 December 2022

10. Analysis of grants

	Grants to Institutions 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Grants to IfA	75	75	-

11. Staff costs

	2022 £000	2021 £000
Wages and salaries	61	34
Social security costs	3	4
Pension costs	4	2
	<u>68</u>	<u>40</u>

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

	2022 No.	2021 No.
Staff	<u>3</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 2022 the total amounts paid to key management personnel was £45,900 (2021 - £43,055).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, expenses totalling £2,691 were reimbursed or paid directly to 3 Trustees in respect of travel and accommodation (2021 - £1,176 paid to 1 trustee).

Notes to the financial statements
for the year ended 31 December 2022

13. Net income/(expenditure)

This is stated after charging:

	2022 £000	2021 £000
Auditor's remuneration - audit	6	5
Auditor's remuneration - non-audit services	7	6
	<u> </u>	<u> </u>

14. Tangible fixed assets

	Freehold property £000	Computer equipment £000	Total £000
Cost			
Additions	-	4	4
Transfers between classes	1,100	-	1,100
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2022	1,100	4	1,104
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 December 2022	1,100	4	1,104
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	-	-	-
	<u> </u>	<u> </u>	<u> </u>

15. Investment property

	Freehold investment property £000
Valuation	
At 1 January 2022	4,500
Surplus on revaluation	600
Transfers between classes	(1,100)
	<u> </u>
At 31 December 2022	4,000
	<u> </u>

Freehold investment property was valued on 25 March 2022 by Montague Evans LLP based on market value. The building has subsequently been transferred to tangible fixed assets to reflect its current usage.

Notes to the financial statements
for the year ended 31 December 2022

16. Fixed asset investments

	Listed investments £000
Market valuation	
At 1 January 2022	155
Additions	3
Revaluations	(13)
At 31 December 2022	<u>144</u>

All the fixed asset investments are held in the UK.

17. Debtors

	2022 £000	2021 £000
Due after more than one year		
Prepayments and accrued income	<u>593</u>	<u>609</u>
	2022 £000	2021 £000
Due within one year		
Trade debtors	8	52
Other debtors	25	20
Prepayments and accrued income	317	176
	<u>350</u>	<u>248</u>

Notes to the financial statements
for the year ended 31 December 2022

18. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Bank loans	5	5
Trade creditors	40	65
Other taxation and social security	8	1
Other creditors	80	76
Accruals and deferred income	95	52
	<u>228</u>	<u>199</u>

Included in the above is deferred income as follows:

	2022 £000	2021 £000
Deferred income at 1 January	15	149
Resources deferred during the year	13	15
Amounts released from previous periods	(15)	(149)
Deferred income at 31 December	<u>13</u>	<u>15</u>

Deferred income comprises membership income received in advance of the subscription period.

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

	2022 £000	2021 £000
Bank loans	15	20
Deferred income	13	14
	<u>28</u>	<u>34</u>

The charity took out a 2.5% fixed rate bounce back loan in 2020 totalling £27,250. The loan's capital and interest is repayable in quarterly instalments through to July 2026.

Deferred income comprises membership income received in advance of the subscription period.

Notes to the financial statements
for the year ended 31 December 2022

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2022 £000
Unrestricted funds					
General Funds	6,124	501	(585)	600	6,640
Endowment funds					
RASE Landowner gold medal	38	-	-	(4)	34
Farm & Rural building centre	86	-	-	(9)	77
	124	-	-	(13)	111
Restricted funds					
RASE Landowner gold medal	15	1	-	-	16
Farm & Rural building centre	29	2	-	-	31
	44	3	-	-	47
Total of funds	6,292	504	(585)	587	6,798

Notes to the financial statements
for the year ended 31 December 2022

20. Statement of funds (continued)

Statement of funds - prior 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 2022

21. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2022 £000
General funds	6,124	501	(585)	600	6,640
Endowment funds	124	-	-	(13)	111
Restricted funds	44	3	-	-	47
	<u>6,292</u>	<u>504</u>	<u>(585)</u>	<u>587</u>	<u>6,798</u>

Summary of funds - prior 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
	<u>6,249</u>	<u>350</u>	<u>(321)</u>	<u>14</u>	<u>6,292</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Endowment funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	5,104	-	-	5,104
Fixed asset investments	-	33	111	144
Debtors due after more than one year	593	-	-	593
Current assets	1,199	14	-	1,213
Creditors due within one year	(228)	-	-	(228)
Creditors due in more than one year	(28)	-	-	(28)
Total	<u>6,640</u>	<u>47</u>	<u>111</u>	<u>6,798</u>

Notes to the financial statements
for the year ended 31 December 2022

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior 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	6,124	44	124	6,292

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

	2022 £000	2021 £000
Net income/expenditure for the year (as per Statement of Financial Activities)	(94)	43
Adjustments for:		
Loss/(gains) on investments	13	(14)
Dividends, interests and rents from investments	(4)	(3)
(Increase)/decrease in debtors	(86)	152
Increase/(decrease) in creditors	25	(358)
Net cash used in operating activities	(146)	(180)

24. Analysis of cash and cash equivalents

	2022 £000	2021 £000
Cash in hand	863	1,014
Total cash and cash equivalents	863	1,014

**Notes to the financial statements
for the year ended 31 December 2022**

25. Analysis of changes in net debt

	At 1 January 2022 £000	Cash flows £000	At 31 December 2022 £000
Cash at bank and in hand	1,014	(151)	863
Debt due within 1 year	(5)	-	(5)
Debt due after 1 year	(20)	5	(15)
	989	(146)	843

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 £3,807 (2021 - £1,977). Contributions totalling £1,900 (2021 - £247) 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 £3,705,000 (2021 - £2,201,000). 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 2022 and then recalculated based on the following assumptions:

**Notes to the financial statements
for the year ended 31 December 2022**

26. Pension commitments (continued)

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

	At 31 December 2022 %	At 31 December 2021 %
Discount rate at 31 December	4.65	1.95
Rate of increase in price (RPI)	3.10	3.30
Rate of increase in price (CPI)	2.45	2.45
Rate of statutory revaluation	2.45	2.45

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

	At 31 December 2022 £000	At 31 December 2021 £000
Present value of funded obligations	(10,494)	(14,304)
Fair value of scheme assets	14,199	16,505
Surplus not recognised	(3,705)	(2,201)
Net value of pension scheme	-	-

The actual return on scheme assets was £1,704,000 (2021 - £1,749,000).

**Notes to the financial statements
for the year ended 31 December 2022**

26. Pension commitments (continued)

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

	2022 £000
Opening defined benefit obligation	14,304
Interest cost	273
Actuarial gains	(3,481)
Benefits paid	(602)
Closing defined benefit obligation	10,494

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

	2022 £000
Opening fair value of scheme assets	16,505
Return on Scheme assets excluding interest income	(1,977)
Interest income	273
Benefits paid	(602)
Closing fair value of scheme assets	14,199

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. 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 £7,294 (2021 - £26,951) to Innovation for Agriculture, a related party due to the Society being a member of Innovation for Agriculture, for rent and office running costs. The Society also made grants to Innovation for Agriculture totalling £75,000 (2021 - £Nil).

At the year end £57,620 was due to Innovation for Agriculture (2021 - £14,883 due from Innovation for Agriculture).