

Charity registration number: 289581
Company registration number: 01817702

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

CONTENTS

	Page
Trustees' report (including directors' report)	1
Auditors' report	12
Consolidated Statement of Financial Activities	16
Consolidated Balance Sheet	17
Balance Sheet	18
Consolidated Statement of Cash Flows	19
Notes to the financial statements	20

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Charity name	Royal Norfolk Agricultural Association	
Charity registration number	289581	
Company registration number	01817702	
Trustees	R C Alston G S Pilcher FCA B R Clarke (Resigned: 23/09/2021) R M Beazley F L Broom (Resigned: 23/09/2021) C S J Scott C E Savory ACA L Lockhart N J Dulieu FCCA S J Hickling Dr J H Clarke (Appointed: 23/09/2021) Dr C M Richards (Appointed: 23/09/2021)	
Registered office	Norfolk Showground Dereham Road Norwich Norfolk, NR5 0TT	
Company secretary	J D Betts	
Key management personnel	M A Nicholas MBE DL (Managing Director) J D Betts (Financial Controller)	
Auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich, NR7 0HR	
Bankers	Lloyds Bank plc 3 Queen Street Norwich, NR2 4SG	Scottish Widows Bank plc PO Box 12757 67 Morrison Street Edinburgh, EH3 8YJ
Solicitors	Howes Percival 1 Bedding Lane Norwich, NR3 1RG	
Investment bankers	Barratt & Cooke 5 Opie Street Norwich, NR1 3DW	

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

The Board of Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their Annual Report and Financial Statements for the Royal Norfolk Agricultural Association (the Association) for the year ended 31 December 2021. The Board of Trustees confirm that the Annual Report and Financial Statements comply with current statutory requirements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

A. CONSTITUTION

The Company is registered as a charitable company limited by guarantee (Company Number 01817702, Registered Charity number 289581) and was set up by a Trust deed, and subsequently adopted memorandum and articles of association.

The principal objectives of the Association are the promotion of improvements in the breeding of livestock and plants; the invention and improvement of agricultural machines and implements; the encouragement of skills in agriculture, horticulture and allied systems of husbandry; and the encouragement of agricultural science, research and education. The principal activities and policies adopted to aid the objectives are the organisation of the Royal Norfolk Show and HarFest at the Association's Showground in Costessey, and pursuit of the objectives by way of other activities including events that encourage improvement in agriculture and food production through knowledge exchange.

B. RECRUITMENT AND APPOINTMENT OF TRUSTEES

The Directors of the Company are also Charity Trustees for the purposes of charity law. Under the Company's Articles they are known as members of the Board of Trustees.

The Board encompasses a diverse mix of skills and experience to ensure that the interests of the company, its members, clients and customers are appropriately represented. Trustees are appointed after interview by the principal officers of the Association.

C. TRUSTEE INDUCTION AND TRAINING

All Trustees are engaged with the work of the Royal Norfolk Agricultural Association. Additionally, Trustees are given induction training (including a full financial briefing and a detailed insight into the business of the Association) and provided with a copy of the Memorandum and Articles of Association, the latest Annual Report and they are offered the Charity Commission's publication, CC3 'The essential trustee: what you need to know'. Trustee induction process is led by the Managing Director.

D. ORGANISATIONAL STRUCTURE

The Board of Trustees meets at least six times a year. During the period of the pandemic a smaller sub-group of Trustees has formed up to more closely work with the Managing Director and manage the impacts to operations and finance. The Board of Trustees exercise control over the management and operation of the Association including the management and administration of the Association's funds and assets, the maintenance and development of the Association's land and property and the engagement of all employees and the regulation of their duties, salaries and terms of service.

The Association Board of Trustees has three sub-committees – Nominations and Governance, Personnel and Remuneration, and Commercial. These sub-committees meet at least annually dealing, respectively, with

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

matters pertaining to the Board and Governance, the RNAA's people strategy and issues relating to the remuneration of staff, and the commercial strategy which supports the delivery of our charitable objectives.

The Personnel and Remuneration Committee provides assurance to the Trustees that the RNAA has an effective people strategy in place which supports the delivery of our overall strategy, promoting an effective, high performing and diverse workforce. It oversees issues relating to the remuneration of staff, with specific responsibility for making recommendations to the Trustees regarding remuneration policy.

The Commercial Board meets regularly throughout the year. Its primary purpose is to set the strategy for the commercial operations of the charity and of the Showground and to oversee the performance of Norfolk Showground Limited (NSL), the charity's trading entity. Commercial Board members are directors of NSL.

Day to day responsibility for the management of the company rests with the Managing Director and the management team.

There is also a Council consisting of elected members of the Association, ex officio members and any person co-opted. The Council meets twice a year and has supervisory control over both the property and the general policy of the Association. As a result of pandemic related restrictions Council met only once in 2021 on 23 September.

E. RISK MANAGEMENT

The Trustees have assessed the major risks to which the Association is exposed, in particular those related to the operations and finances of the Association and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. The Association has a risk assessment process consistent with good management practice. This ensures that appropriate steps have been taken to mitigate and recognise risk and that the RNAA makes the most of opportunities.

The RNAA complies with the Statement of Recommended Practice, SORP, required of UK registered charities. Trustees are responsible for ensuring that risk assessment and management processes are in place.

The RNAA uses a process of identifying risk under the following categories:

Financial
Strategic
Operational
Hazard

Individual risks are sub-grouped under six functional areas: Events (including the Royal Norfolk Show), Infrastructure, IT, Financial, Reputation and People.

Corporate risks under the above categories are detailed in a corporate risk register stating inherent risk status, the risk, controls in place, likelihood, impact, action points to improve controls, lead risk owner and an assessment of the residual risk given the adequacy of controls in place.

The probability, likely impact and the level of concern are ranked, and a risk map and plan are produced of those corporate risks requiring prioritisation and attention.

Throughout the period of the pandemic the Association has implemented a number of control measures and reduced activity in line with government restrictions. The impact of health restrictions and periods of

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

lockdown in 2020 and early 2021 presented a major risk to the Association and its activities. The majority of third-party bookings received by Norfolk Showground Limited were cancelled or postponed and the RNAA's flag-ship event, the Royal Norfolk Show, was cancelled again in 2021.

The evaluation of risk to the Association was a major factor in the decision to cancel the 2021 Royal Norfolk Show. In making the decision in October 2020, to cancel the 2021 Royal Norfolk Show, the Trustees considered the likelihood and impact of risks materialising which could have been avoided.

Facing the prospect of much reduced income the Association took measures to reduce activity levels to essential business only and initiated a programme of reducing overheads. As a result of the fast-changing situation, the Association took the decision to conduct a major re-structuring of the executive team. Not only was this necessary to reduce overheads in the early part of the year, it was also important that the staff team should be optimised to meet the needs of the business, emerging from the pandemic. With much regret it was necessary to make redundant four members of staff. A further member of staff took retirement after serving the Association for 34 years. We thank all our former members of staff for all that they have done for the charity during a very challenging and uncertain period.

The re-structured team was in place by the end of 2021 and we welcomed four new staff members to the Association. The revised structure of the team is now more suited to the future management of our charitable outputs, commercial operations, and the running of the Showground estate and event delivery.

The Association continued to make use of the Coronavirus Job Retention Scheme until April 2021.

OBJECTIVES AND ACTIVITIES

The objects for which the Association is established are:

- a. To promote improvement in the breeding of livestock and plants, in the invention and improvement of agricultural machines and implements, in the encouragement of skills in agriculture, horticulture, forestry, pisciculture, rural crafts and allied systems of husbandry and the development of all systems, techniques, methods or processes connected therewith;
- b. To encourage and promote agricultural science, research and education including in relation to food, farming and the countryside; and
- c. To advance and encourage the protection and safeguarding of the environment.

Policies and objectives

1. To bring people and business together through a range of inspiring events promoting food, farming and the countryside.
2. To educate a wider audience about the ways of the countryside, the environment, the reduction of carbon emissions to help prevent global warming and to encourage the consumption of locally produced food.
3. To contribute to the development of a strategy for the region.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

Criteria for measuring success

Criteria for measuring success are varied against the differing activities of the RNAA. Each activity is routinely reviewed by the Trustees who use a range of evaluation criteria that might include:

- Quality of work: The RNAA continually reviews its work to ensure that it is meeting the objectives set for the charity.
- Schedule: Has the activity been delivered to schedule against deadlines?
- Scope: Has the scope of the activity been met?
- Budget: Was the activity delivered on or within the financial parameters set?
- Team satisfaction: Feedback from volunteers and other participants is collected and reviewed. Were they satisfied with the activity? How can it be improved?
- Visitor satisfaction: Feedback from visitors – for example, those attending the Royal Norfolk Show – is collected formally and analysed to provide a wealth of data covering satisfaction with the event, advocacy and future improvements.
- External influences: how can the risks presented by Covid-19 be mitigated and the Association's exposure limited?

The RNAA understands its duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches. Its main fundraising activity is the Royal Norfolk Show and hence uses neither internal nor external fundraisers. The RNAA is not a member of the fundraising regulator. No fundraising complaints have been received during the year.

Strategies for achieving objectives

The Association seeks to achieve its objectives through the following main activities:

1. The annual Royal Norfolk Show as a showcase for best practice in agriculture, locally produced food, the countryside and the rural economy. It is the leading consumer event in East Anglia. In the absence of a Show in 2020 and 2021 virtual technology was used to promote agricultural innovation through the online Innovation Hub.
2. Building a substantial enabling business through Norfolk Showground Limited, and other commercial opportunities, to help fund the main charity, seeking sustainable and relevant future options. During 2021 measures were taken to diversify the commercial uses of Norfolk Showground. This has included securing commercial tenants to occupy unused parts of the Showground estate.
3. Supporting our education vehicle, the Food and Farming Discovery Trust (FFDT). Although activity levels were much reduced, the FFDT has been able to deliver a number of small-scale activities in 2021.
4. Promoting food, farming and countryside through a range of public events including the Royal Norfolk Show and Norfolk HarFest. During 2021 it was possible to hold a Summer Fayre event supporting local food and drink producers, a Norfolk Equestrian Show which included Horse of the Year Show qualifiers, and Norfolk HarFest.
5. Maintaining the Association's profile and presence in Norfolk, creating opportunities, building relationships and encouraging collaboration. This objective was achieved with a series of virtual and online events that were scheduled throughout the year.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

6. Building a committed and active membership base. Membership levels remained at approx. 40% of the pre-pandemic level and stayed flat following the cancellation of the 2021 Royal Norfolk Show. A new proposition for members which includes a greater range of membership events, and the build of new websites, are helping to increase membership levels.

Public benefit

The RNAA is a charity working for food, farming and the countryside. The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Association's aims and objectives and in planning future activities.

The operations of the RNAA are in two areas:

- Charitable activities and the delivery of public benefit.
- Commercial activities to generate earnings to support our charitable work. The net income of all commercial activity undertaken by the subsidiaries is gift aided to the Association.

There is an overlap between our charitable and commercial activities as some events have both strands, such as the Royal Norfolk Show.

ACTIVITIES AND ACHIEVEMENTS AGAINST OBJECTIVES

In January 2021 a new Managing Director was appointed to the Association. During 2021 a programme of reform was initiated to ensure that the Association is best placed to recover from the pandemic and to take advantage of new opportunities. A comprehensive restructuring of the staff team took place and has reduced staff overheads and created an executive team ready to meet the current and future needs of the business. Improvements have been made to the systems and processes employed by the Association, including a move to more online communication and the reduction of printing and postal mailouts.

In April 2021 the Association received confirmation of grant funding from the Culture Recovery Fund (second round) up to £574,900. The RNAA was awarded up to £474,900 from the National Lottery Heritage fund and NSL awarded up to £100,000 from the Arts Council fund. £195,800 of the £474,900 provided by the National Lottery Heritage Fund is to replenish the reserves of the Association, which had been significantly depleted during 2020 and early 2021.

The grant awards were critical to enabling the Association and NSL to continue to function when other sources of income were greatly reduced. The funding helped the Association and NSL to cover running costs between April-June 2021 and has enabled critical maintenance at the Showground site to be conducted. The grant funds have also enabled many of the activities, described below, to take place.

The following charitable activities were delivered and supported by grant funding from the National Lottery Heritage fund and the Arts Council:

1. Promoting Food, Farming and the Countryside:

- Norfolk Summer Fayre, 3 July 2021. The event was the first to take place at Norfolk Showground following lockdown restrictions. Fifty food and drink producers took part and organisations including the Starting Handle Club and Rural Farm and Past demonstrated heritage aspects of farming. An arts-cultural element provided entertainment with local bands performing on a stage. Over 2,000 people visited the event.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

- Norfolk Equestrian Show, 28 July 2021. The Association hosted an equine show which included Horse of the Year Show qualifiers. A partnership with the Rare Breeds Survival Trust enabled the heritage of rare equine breeds to be highlighted.
- Norfolk FarFest, 2 October 2021. Norfolk HarFest is a one-day event which celebrates agricultural output and food production. The event took place at Norfolk Showground and consisted of a range of machinery displays, food hall, local bands, Norfolk and Norwich Goat Club show and the Holstein Cattle autumn show. Nearly 2,000 people enjoyed the event and the opportunity to explore local farming and food production.
- Members' activities. Throughout 2021 our members enjoyed a varied programme of activities. These included online events such as an evening with Minette Batters, President National Farmers Union, and a trade opportunities discussion with the Dutch Ambassador to the United Kingdom. Fields visits were conducted to Dilham Hall Farm to look at land use diversification, and to Kenhill Estate to explore conversation and re-generative farming.

2. We support agricultural charities:

Recognising the importance of local agricultural charities, we have been delighted to further our close relationship with the YANA (You Are Not Alone) charity and provide the charity with office facilities. We also welcomed the arrival of the Norfolk Federation of Young Farmers Clubs, who have co-located with the RNAA office. The development of a hub of like-minded organisations will help enable further collaboration and idea sharing as we support the agricultural sector in Norfolk.

3. Education

The Food & Farming Discovery Trust, the RNAA's education vehicle, was able to deliver a range of exciting educational activities throughout the year. The Conscious Consumers project, which encourages secondary school pupils to explore the end-to-end food production chain, provided a programme of online learning material. The Trust partnered with the Science Art and Writing (SAW) Trust to deliver an online climate change conference for primary school pupils. This project also connected with the Gaia Earth installation by Luke Jerram at St Peter Mancroft Church, Norwich.

Jamie Lockhart, Managing Director at Frederick Hiam Ltd, continues with his Nuffield Scholarship, sponsored by the RNAA.

4. Knowledge Transfer

This is a key activity as we try to encourage the industry to work more collaboratively. During 2021 we have supported:

- Agritech week – a partnership initiative, founded in 2014 by Agri-TechE (formerly Agri-Tech East) and the Royal Norfolk Agricultural Association. In November, the team behind Catalyst Farming, a local partnership initiative, gave a presentation about the collaboration triangle of data, technology and people, and efficiencies that can be realised from the interpretation of data.
- The YIELD network – this group of younger members now numbers over 260 consisting of farmers, vets and others working in allied industries and is run by a management committee drawn from the membership. The group met on a number of occasions during 2021 – for virtual and physical events – which included knowledge exchange and professional development. A visit to Houghton Hall Farm to explore the conversion to organic farming was a particular highlight. YIELD is now recognised as an

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

influential group for those who are passionate about farming and want to be part of a successful forward-thinking industry.

- Norfolk Farming Conference – the RNAA is a primary sponsor of this annual one-day event for the agricultural industry in the region. Unfortunately, it was not possible to hold the conference in 2021, and plans are underway for the conference to be held in November 2022.

5. Supports other charities and sectors with grants and sponsors events and conferences

- During the year we provided Norfolk Federation of Young Farmers with grant support.
- The Active Arts project June-August, funded by the Arts Council, has enabled many local arts-based groups to use performance and rehearsal space at the Showground, including the Norwich Philharmonic Orchestra and Norwich Samba Band. The Culture Recovery Fund support is enabling the Association and Norfolk Showground to improve its diversity of reach and engagement.
- During the course of the year the RNAA raised funds for its education vehicle, the Food & Farming Discovery Trust (FFDT), to complete the building of a Digital Hub. In 2022 the FFDT intends to appoint a Trust Manager to lead its programme of activities.

ESTATE AND INFRASTRUCTURE

In 2021, in consortium with other local landowners, a land disposal agreement with Persimmon Homes Ltd was finalised for the development of land for housing around the village of Easton. The RNAA's interest in this was 10.006 ha of land to the west of the main Showground site predominantly used for car parking. The land sale was completed in May 2021 and the RNAA's interests in this development are managed through its subsidiary company, Norfolk Showground Developments Limited. The receipt from the land disposal will enable investment in the Showground's infrastructure and facilities.

A project to supply the Showground with non-potable/potable water from a neighbouring landowner had begun in the autumn of 2019 and remained on hold in 2020. The project was resumed in late 2021 and completion of legal agreements between the parties concerned will enable the project to commence in March 2022. The completion of this project will secure the supply of water at a sustainable cost for the long term.

The award of National lottery Heritage grant funds enabled two significant maintenance projects to be completed in 2021. £55,000 was spent on restoring the electricity supply to the northern part of the Showground site. £25,000 was committed to improving the internal road network.

PERFORMANCE SINCE 31 DECEMBER 2021

The spread of the Omicron variant of Covid-19 in early 2022 resulted in a small number of commercial events to be postponed. Our planning for the Royal Norfolk Show, to be held over 29-30 June 2022, continues unabated. We look forward to hosting the Aberdeen Angus National Show at the 2022 Royal Norfolk Show, and to celebrate Her Majesty The Queen's Platinum Jubilee. 2022 also marks the 175th anniversary of the founding of the Association.

A key area of further development is the diversification of the Association's commercial activities. In addition to events and hirings secured by Norfolk Showground Limited, the Association is attracting other commercial interest in the use of its buildings and facilities. With the support of Culture Recovery Fund grant money, the Association's websites have been rebuilt and an engagement campaign to encourage greater use of the Showground by local communities is underway.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL REVIEW

On a consolidated basis, our net surplus before gains on investments totalled £3,197,470, of which £99,644 results from our normal operating activities and £3,100,908 from the land disposal (2020 – deficit of £703,979). The in year operating results have been significantly influenced by a number of factors. There was no income from the 2021 Royal Norfolk Show due to the decision to cancel the Show in late 2020 (2020 – Show income £Nil). Norfolk Showground Limited made a profit of £116,587 (2020 - £51,791) on income of £417,600 (2020 - £174,156) reflecting the modest upturn in the events and space rental business as a result of the relaxation of the restrictions of the national lockdown and the introduction of the Government's Road Map to Recovery in early 2021.

Realised and unrealised gains on investments were £93,723 (2020 – £1,128).

In April 2021 the Association received confirmation of grant funding from the Cultural Recovery Fund (second round) up to £574,900 (RNAA £474,900 and NSL £100,000). The grant funding for NSL is in the process of being claimed and only £20,000 is recognised in these accounts. These grant funds off-set operational costs and enabled some critical maintenance of the Showground site to be conducted. £194,000 of the RNAA grant was awarded to replenish the RNAA's free reserves which had a deficit figure of £90,435 at 31 December 2020. Efforts to increase the commercial diversification of the Showground generated an additional £59,000 of rental income.

The Association had to manage its costs throughout the pandemic through careful item by item budgeting, regular financial reporting, a purchase order system and frequent reviews of costs by a sub committee consisting of executive staff and Trustees.

In May 2021, after fourteen years of planning, the disposal of land to Persimmon Homes Ltd resulted in a gain on sale of land of £978,296 and income, received in Norfolk Showground Developments Ltd, from participating interests of £2,122,612. The receipts from this land sale, are due to be paid in full by May 2024 and have been ringfenced by the Trustees as exceptional one-off gains to be treated as unrestricted designated funds for investment in the Showground infrastructure and facilities.

PLANS FOR THE FUTURE

During 2021 further work has been undertaken to refine our strategic masterplan for the Showground. We continue to consider various options for investing in the Norfolk Showground as an events venue and other enabling opportunities which would support the Association's delivery of its charitable objectives and increase its resilience and sustainability.

Following the completion of the land disposal to Persimmon Homes Ltd, it is our intention to invest in the critical infrastructure of the Showground and to enhance the usability of our existing facilities. We intend to make enhancements to the Norfolk Arena building and create a more usable and versatile space for conferences and music events.

The Trustees recognise the importance of Norfolk Showground as a venue of regional value and they continue to consult with interested parties and local authorities with regard to future developments. Following the masterplan work the Trustees have agreed a new vision for the Showground which focusses on:

- Any development of the Showground will provide a commercially viable, robust and sustainable financial footing for the RNAA to pursue its core aims and objectives.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

- The development will grow out of the Royal Norfolk Show and reinforce the RNAA's core objects by creating a unique sense of place reflecting the RNAA, reflecting its ethos, purpose and connection with food, farming and the countryside. Development will support and prepare for the next evolution of the Show.
- The Showground will be a flagship destination for Norfolk, the region and beyond. It will have a local impact and be (inter-)nationally recognised.

Responding to changing social and environmental trends, the Association will ensure that it implements measures to attract new members, creating further diversity within the organisation, and that the Association's profile is enhanced as consumers become more conscious about food production and the impacts of climate change.

Reserves Policy

The Association has assessed that reserves of £750,000 should be maintained to cover the full overheads of the business for 12 months, in cash or other liquid assets and investments in case the Royal Norfolk Show is cancelled in any year.

Current reserves of the group are £6,775,863 which includes restricted funds of £47,649 and unrestricted funds of £6,728,214. The charity measures free reserves as unrestricted reserves less fixed assets but including the surplus investments over those secured by the bank. At 31 December 2021 free reserves totalled £3,649,983 (2020: deficit of £90,435).

An unrestricted designated reserve has been established for Showground infrastructure improvements. At 31 December 2021, this reserve was £3,100,908 (2020: £Nil).

Going Concern

The trustees have considered the level of funds held at the year end. The trustees have also considered the forecast income and expenditure to 31st December 2023 is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Investment Policy

Under its constitution, the Association has the power to invest funds not immediately required for its charitable purposes.

The Trustees have considered the most appropriate policy for investing funds and concluded to maintain a balanced portfolio of listed investments to provide the maximum financial return to the charity and to invest surplus cash funds on various deposits to receive the highest rate of interest whilst mitigating risk and ensuring all liabilities can be met within their due dates. The Trustees are satisfied with the returns for the year.

The share portfolio is managed by Barratt & Cooke, on a discretionary basis, to meet the requirements of a security charge by Lloyds Bank. It is reviewed annually by the Trustees and regular performance reviews are held with Barratt & Cooke who provide quarterly update to the Association on an ongoing basis. The Trustees' policy is that the portfolio maintains a cautious positioning to ensure that obligations to the bank charge can be met. During 2021 the portfolio has steady growth and maintained an average value of over £800,000 and returned 2.77% (benchmark of 2.85%).

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP FRS 102;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PROVISION FOR INFORMATION TO AUDITOR

In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 4 March 2022 and signed on its behalf by:

R C Alston

Rob Alston (Mar 28, 2022, 9:18am)

R C Alston
Trustee

NORFOLK AGRICULTURAL ASSOCIATION

INDEPENDENT AUDITORS' REPORT OF THE AUDITORS TO THE MEMBERS OF ROYAL NORFOLK AGRICULTURAL ASSOCIATION

Opinion

We have audited the financial statements of Royal Norfolk Agricultural Association (the 'Parent Charitable Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated and Charity Cash Flow Statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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 trustees annual report, other than the financial statements and our auditor's 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,

NORFOLK AGRICULTURAL ASSOCIATION

INDEPENDENT AUDITORS' REPORT OF THE AUDITORS TO THE MEMBERS OF ROYAL NORFOLK AGRICULTURAL ASSOCIATION

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

NORFOLK AGRICULTURAL ASSOCIATION

INDEPENDENT AUDITORS' REPORT OF THE AUDITORS TO THE MEMBERS OF ROYAL NORFOLK AGRICULTURAL ASSOCIATION

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

We gained an understanding of the legal and regulatory framework applicable to the charity and how it operates and considered the risk of the charity not complying with the applicable laws and regulations including fraud, in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the group and charitable company this included employment law, financial reporting, data protection and health & safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- Management override: We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions to identify large or unusual transactions. We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee meetings, correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, and made enquiries of management including those responsible for the key regulations. We have reviewed the procedures in place for reporting of incidents to the Trustee Board and, escalation procedures and serious incident reporting of these matters as necessary with the Charity Commission.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and review of this document by the Board of Trustees.

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.

NORFOLK AGRICULTURAL ASSOCIATION

INDEPENDENT AUDITORS' REPORT OF THE AUDITORS TO THE MEMBERS OF ROYAL NORFOLK AGRICULTURAL ASSOCIATION

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Helena Wilkinson BSc FCA DChA
Senior Statutory Auditor

For and on behalf of
PRICE BAILEY LLP

Chartered Accountants and Statutory Auditors

Anglia House 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
NR7 0HR

Date: 30 March 2022

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted general £	Unrestricted designated £	Restricted £	Total 2021 £	Total 2020 £
Income and endowments from:						
Grants and Donations	2	559,725	-	-	559,725	17,035
Charitable activities	3	115,034	-	-	115,034	72,844
Other trading activities	4	584,280	-	-	584,280	285,843
Investments	5	23,179	-	-	23,179	19,557
Other	6	48,774	3,100,908	-	3,149,682	136,460
Total income		<u>1,330,992</u>	<u>3,100,908</u>	<u>-</u>	<u>4,431,900</u>	<u>531,739</u>
Expenditure on:						
Raising funds (being subsidiary expenditure)	4	87,456	-	-	87,456	72,700
Charitable activities	7	1,143,892	-	3,082	1,146,974	1,163,018
Total expenditure		<u>1,231,348</u>	<u>-</u>	<u>3,082</u>	<u>1,234,430</u>	<u>1,235,718</u>
Net income/(expenditure)		99,644	3,100,908	(3,082)	3,197,470	(703,979)
Net gains on investments		93,723	-	-	93,723	1,128
Net movement in funds		<u>193,367</u>	<u>3,100,908</u>	<u>(3,082)</u>	<u>3,291,193</u>	<u>(702,851)</u>
Reconciliation of funds:						
Funds brought forward		3,433,939	-	50,731	3,484,670	4,187,521
Total funds carried forward		<u>3,627,306</u>	<u>3,100,908</u>	<u>47,649</u>	<u>6,775,863</u>	<u>3,484,670</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 20 to 39 form part of these financial statements.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION
REGISTERED NUMBER: 04329682

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	2,843,282	2,967,984
Investments	12	868,689	1,053,449
		<u>3,711,971</u>	<u>4,021,433</u>
Current assets			
Stock		741	782
Debtors: amounts falling due after more than one year	13	1,207,495	-
Debtors: amounts falling due within one year	13	1,031,633	176,000
Cash at bank and in hand		<u>1,937,048</u>	<u>535,580</u>
		4,176,917	712,362
Creditors: amounts falling due within one year	14	<u>(573,925)</u>	<u>(604,177)</u>
Net current assets		<u>3,602,992</u>	<u>108,185</u>
Total assets less current liabilities		7,314,963	4,129,618
Creditors: amounts falling due after more than one year	15	(539,100)	(644,948)
Net assets		<u>6,775,863</u>	<u>3,484,670</u>
Group Funds			
Unrestricted general funds		3,627,306	3,433,939
Unrestricted designated funds	18	3,100,908	-
Restricted fixed asset fund	19	47,649	50,731
Total group funds		<u>6,775,863</u>	<u>3,484,670</u>

The trustees have prepared group accounts in accordance with section 398 of the Companies act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Trustees on 4 March 2022 and signed on their behalf, by:

R C Alston

Rob Alston (Mar 28, 2022, 9:18am)

R C Alston
Trustee

C E Savory

Charlie Savory (Mar 29, 2022, 8:59am)

C E Savory ACA
Trustee

The notes on pages 20 to 39 form part of these financial statements.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION
REGISTERED NUMBER: 04329682

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	2,843,282	2,967,984
Investments	12	868,692	766,865
		<u>3,711,974</u>	<u>3,734,849</u>
Current assets			
Debtors: amounts falling due after more than one year	13	1,050,805	-
Debtors: amounts falling due within one year	13	496,150	426,291
Cash at bank and in hand		452,985	529,883
		<u>1,999,940</u>	<u>956,174</u>
Creditors: amounts falling due within one year	14	<u>(558,463)</u>	<u>(610,305)</u>
Net current assets		<u>1,441,477</u>	<u>345,869</u>
Total assets less current liabilities		5,153,451	4,080,718
Creditors: amounts falling due after more than one year	15	(501,600)	(597,448)
Net assets		<u>4,651,851</u>	<u>3,483,270</u>
Charity Funds			
Unrestricted general funds		3,625,906	3,432,539
Unrestricted designated funds	18	978,296	-
Restricted fixed asset fund	19	47,649	50,731
Total charity funds		<u>4,651,851</u>	<u>3,483,270</u>

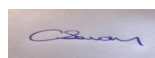
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Charlie Savory (Mar 29, 2022, 8:59am)

C E Savory ACA
Trustee

The notes on pages 20 to 39 form part of these financial statements.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Cash flow from operating activities				
Net movement in funds	3,291,193	(702,851)	1,168,581	(702,851)
<u>Adjusted for:</u>				
Depreciation	164,946	173,596	164,946	173,596
Profit on disposal of tangible fixed assets	(978,296)	(10,475)	(978,296)	(10,475)
Dividend and interest income	(23,179)	(19,557)	(23,179)	(19,557)
Net gain on investments	(93,723)	(1,128)	(93,723)	(1,128)
Interest paid	12,494	12,532	12,132	12,532
Decrease/(increase) in trade and other debtors	(2,063,126)	86,032	(1,120,663)	66,642
(Decrease)/increase in trade and other creditors	(80,984)	123,690	(95,073)	219,721
Decrease in stock	41	8	-	-
Net cash flow from operating activities	<u>229,366</u>	<u>(338,153)</u>	<u>(965,275)</u>	<u>(261,520)</u>
Cash flow from investing activities				
Dividend and interest income	23,179	19,557	23,179	19,557
Purchase of investments	(171,382)	(171,546)	(171,382)	(171,546)
Proceeds from sale of investments	163,276	186,985	163,276	186,985
Return of capital from investment in participating interests	286,587	-	-	-
Purchase of tangible fixed assets	(96,277)	(19,092)	(96,277)	(19,092)
Proceeds of sale of tangible fixed assets	1,034,329	10,475	1,034,329	10,475
Net cash flow from investing activities	<u>1,239,712</u>	<u>26,379</u>	<u>953,125</u>	<u>26,379</u>
Cash flow from financing activities				
Repayment of borrowings	(55,116)	(19,257)	(52,616)	(19,257)
Interest paid	(12,494)	(12,532)	(12,132)	(12,532)
Cash inflows from new borrowings	-	300,000	-	250,000
Net cash flow from financing activities	<u>(67,610)</u>	<u>268,211</u>	<u>(64,748)</u>	<u>218,211</u>
Net increase / (decrease) in cash and cash equivalents	1,401,468	(43,563)	(76,898)	(16,930)
Cash and cash equivalents at start of year	535,580	579,143	529,883	546,813
Cash and cash equivalents at end of year	<u>1,937,048</u>	<u>535,580</u>	<u>452,985</u>	<u>529,883</u>

The notes on pages 20 to 39 form part of these financial statements.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

1.1. GENERAL INFORMATION

The Association is a private company limited by guarantee, incorporated in England and Wales, and the registered office is as stated on page 2 of these accounts. Under Section 60 of the Companies Act 2006 it is exempt from the requirement to use the word “limited” after its name. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. There are currently circa 1,264 members (2020 – circa 1,600).

1.2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), applicable accounting standards and the Companies Act 2006 and comply with SORP’s provisions currently in effect.

The Royal Norfolk Agricultural Association 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 note(s).

The financial statements are presented in sterling and rounded to the nearest pound.

1.3. GROUP FINANCIAL STATEMENTS

The financial statements consolidate the accounts of Royal Norfolk Agricultural Association and its subsidiary undertakings (‘subsidiaries’) Norfolk Showground Limited and Norfolk Showground Developments Limited on a line by line basis. A separate Statement of Financial Activities has not been presented because the Association has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The summary financial performance of the charity alone is:

	2021 £	2020 £
Turnover	2,217,382	454,759
Expenditure	(1,142,524)	(1,158,738)
Net gains on investments	93,723	1,128
	<hr/>	<hr/>
Net movement in funds	1,168,581	(702,851)
Funds brought forward	3,483,270	4,186,121
	<hr/>	<hr/>
Funds carried forward	4,651,851	3,483,270
	<hr/> <hr/>	<hr/> <hr/>

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.4. GOING CONCERN

During the year, the global pandemic Covid19 has meant a national lockdown in the UK, resulting in the cancellation of the 2021 Royal Norfolk Show. This resulted in a significant reduction of income in 2021, and reduced event income within the wholly owned trading subsidiary Norfolk Showground Limited.

The financial statements have been prepared on a going concern basis as the trustees have considered the level of funds held at the year end and government support received throughout the COVID-19 pandemic. Additionally, the completion of the sale of land at Easton through a consortium of landowners which the Charity is a member has increased free reserves significantly to a balance able to support the group, and the charitable company for the foreseeable future. The trustees have also considered the forecast income and expenditure to 31st December 2023 is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.5. INCOME RECOGNITION

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income received in advance of an event is deferred until the criteria for income recognition is met (see note 14). Members and Vice Presidents pay an annual subscription.

In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services donated by volunteers.

Where services are provided to the Charity as a donation that would normally be purchased from suppliers, if material, these are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the Charity has control over the item. Fair value is determined on the basis of the value of the gift to the Charity. For example the amount the Charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure. The only such services were made by volunteers and were immaterial in value.

Income from trading activities includes income earned from the trading subsidiary, Norfolk Showground Limited, land rental and lease income. Norfolk Showground Limited's principal activity is the events and rental business. Income is received in exchange for services in order to raise funds and is recognised when entitlement has occurred. Recognition of any trading income invoiced in advance for events which will be held after the end of the financial year is deferred until the event has occurred. Rental income is recognised as the Charity's right to receive payment is established.

Investment income from the Association's investment's in joint ventures is recognised as the Charity's right to the profits is established. Any profit allocations received are credited to the Statement of Financial Activities.

Investment income earned from the Association's investment portfolio includes dividends and interest, and is recognised on an accruals basis.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES (CONTINUED)

1.6. FUND ACCOUNTING

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

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

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

1.7. EXPENDITURE

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classed under the following activity headings:

- Costs of raising funds comprise the costs of the commercially trading subsidiary companies.
- Expenditure on charitable activities includes the costs of all activities undertaken to further the purposes of the company and their associated support costs.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.8. SUPPORT COST ALLOCATION

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the Charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources e.g. staff costs are allocated by estimated time spent.

The analysis of these costs is included in Note 8.

1.9. GIFT AID DONATION AND TAX RELIEF THEREON

Profits made by Norfolk Showground Limited and Norfolk Showground Developments Limited are donated to the parent charity, Royal Norfolk Agricultural Association. As per FRS102, an expected gift aid payment is not to be accrued unless a legal obligation to make the payment exists at the reporting date. The donation of profits from Norfolk Showground Limited and Norfolk Showground Developments Limited to Royal Norfolk Agricultural Association is therefore reflected in the year in which the payment of the profits is made from the subsidiary to the parent entity. The tax effects are taken into account at the reporting date when it is probable that the gift aid payment will be made in the following 9 months.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES (CONTINUED)

1.10. FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended. All assets costing more than £500 are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Buildings & improvements	3 – 80 years straight line
Plant & machinery	3 – 15 years straight line

Depreciation is not charged on freehold land.

1.11. INVESTMENTS

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities if the shares are publicly traded or their fair value can otherwise be measured reliably.

The investment in the trading subsidiaries is measured at cost. Other investments are measured at cost less impairment.

1.12. STOCK

Stock is included at the lower of cost or net realisable value and includes branded items for resale.

1.13. DEBTORS AND CREDITORS RECEIVABLE/PAYABLE WITHIN ONE YEAR

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.14. CASH AT BANK AND IN HAND

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

1.15. LOANS AND BORROWINGS

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES (CONTINUED)

1.16. FINANCE LEASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the charitable company. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.17. FINANCIAL INSTRUMENTS

The association only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their fair value as at the balance sheet date. All financial instruments of the charity are measured at cost with the exception of

- Fixed assets which are measured at cost less depreciation.
- Investments in the charity's portfolio, which are measured at fair value as at the balance sheet date using the closing market value. The value of investments as well as their original cost is stated in note 12.
- Bank loans which are measured at amortised cost using the effective interest method.

Financial assets include investments in the listed portfolio, the bank balances, trade debtors, accrued income and other debtors but exclude prepayments. Financial liabilities include bank loans, hire purchase obligations, trade creditors, other creditors, accruals and deferred income but exclude social security and other taxes due.

1.18. PENSION COSTS

The association provides a defined contribution pension scheme, whereby the association and its staff each fund the scheme, managed by a third party provider, the assets of which are held by the provider separately from the assets of the group. The pension charge in the financial statements represents the amounts payable by the association to the fund in respect of the period.

1.19. OPERATING LEASES

Rent payable and receivable under operating leases is charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

1.20. TAXATION

The charity is exempt from taxation in respect of income and 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 the charitable purposes.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 ACCOUNTING POLICIES (CONTINUED)

1.21. AGENCY ARRANGEMENTS

The charitable company previously acted as an agent on behalf of another charitable company, Royal Agricultural Society of the Commonwealth ('RASC'). Income received and expenditure incurred on behalf of RASC were excluded from the statement of financial activities of RNAA. RNAA charged RASC for the administration costs related to this arrangement and this is the only amount recognised in the statement of financial activities of RNAA. The funds received and paid and any balance held on behalf of RASC are disclosed in note 26.

1.22. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

No judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies. The key assumptions concerning the future and key sources of estimation uncertainty at the key reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- The estimation of the useful economic life of property, plant and equipment. Depreciation policies have been set according to management's experience of the useful economic lives of the assets in each category, something which is reviewed annually. The carrying value of these tangible fixed assets are detailed in note 11.

2. INCOME FROM DONATIONS AND GRANTS

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
South Norfolk Council grant (Local restrictions and restart grant)	39,085	-
Cultural Recovery Fund grant (National Lottery Heritage Fund)	474,900	-
Cultural Recovery Fund grant (Arts Council England)	20,000	-
Other grants & donations (each less than £5,000)	25,740	17,035
	<hr/>	<hr/>
	559,725	17,035
	<hr/>	<hr/>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Admissions	13,103	-
Trade stand fees	10,988	-
Membership subscriptions and guest badges	62,077	72,844
Sponsorship and prize money contributions	12,900	-
Entry fees	15,966	-
	<hr/>	<hr/>
	115,034	72,844
	<hr/>	<hr/>

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Land rental and lease income	166,680	111,687
Income from trading subsidiary	417,600	174,156
	<hr/>	<hr/>
	584,280	285,843
	<hr/>	<hr/>

The wholly owned trading subsidiary Norfolk Showground Limited is incorporated in England and Wales (company number 02814458) and pays all of its profits to the charity under the gift aid scheme. Norfolk Showground Limited is responsible for the holding of and the licensing to hold events on the Norfolk Showground.

The summary financial performance of the subsidiary Norfolk Showground Limited alone is:

	2021 £	2020 £
Turnover	417,600	174,156
Cost of sales and admin costs	(87,094)	(72,700)
Interest costs	(362)	-
Governance costs	(4,450)	(4,280)
Management and licence fees (eliminated on consolidation)	(229,107)	(45,385)
Other operating income	20,000	-
	<hr/>	<hr/>
Net profit	116,587	51,791
Brought forward capital and reserves	1,399	1,399
Amount gift aided to association	(116,587)	(51,791)
	<hr/>	<hr/>
Retained in subsidiary	1,399	1,399
	<hr/>	<hr/>

The assets and liabilities of the subsidiary were as follows:

	2021 £	2020 £
Current assets	275,043	215,599
Current liabilities	(236,144)	(150,450)
Liabilities falling due after more than one year	(37,500)	(63,750)
	<hr/>	<hr/>
Total net assets	1,399	1,399
	<hr/>	<hr/>

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. INVESTMENT INCOME

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Dividend income	23,113	18,855
Bank interest receivable	66	702
	<hr/>	<hr/>
	23,179	19,557
	<hr/>	<hr/>

6. OTHER INCOME

	Unrestricted funds 2021 £	Unrestricted designated funds 2021 £	Unrestricted funds 2020 £
Coronavirus Job Retention Scheme	39,257	-	103,041
Sundry income	9,517	-	33,419
Gain on sale of land	-	978,296	-
Income from participating interests	-	2,122,612	-
	<hr/>	<hr/>	<hr/>
	48,774	3,100,908	136,460
	<hr/>	<hr/>	<hr/>

There was no designated income in the year to 2020.

The wholly owned trading subsidiary Norfolk Showground Developments Limited is incorporated in England and Wales (company number 08977136) and pays all of its profits to the charity under the gift aid scheme. Norfolk Showground Development Limited is responsible for transactions pertaining to the sale of land and options held within the joint venture ELC LLP and realisation of profits therein.

The summary financial performance of the subsidiary Norfolk Showground Development Limited alone is:

	2021 £	2020 £
Income from participating interests in joint venture	<hr/> 2,122,612	<hr/> -
Net profit	2,122,612	-
Brought forward capital and reserves	1	1
	<hr/>	<hr/>
Retained in subsidiary	<hr/> 2,122,613	<hr/> 1
	<hr/>	<hr/>

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. OTHER INCOME (CONTINUED)

The assets and liabilities of the subsidiary were as follows:

	2021	2020
	£	£
Fixed asset investments	-	286,587
Current assets falling due after one year	156,690	-
Current assets falling due within one year	2,252,509	-
Current liabilities	<u>(286,586)</u>	<u>(286,586)</u>
Retained in subsidiary	<u><u>2,122,613</u></u>	<u><u>1</u></u>

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

The charity is considered to have only one activity which is the promotion of improvement in agriculture and encouragements of agricultural science, research and education.

2021	Direct costs	Support costs	Total 2021
	£	£	£
Show costs	57,871	-	57,871
Staff costs	178,869	268,304	447,173
Premises costs	155,759	-	155,759
Other costs	236,277	249,894	486,171
	<u>628,776</u>	<u>518,198</u>	<u>1,146,974</u>
2020	Direct costs	Support costs	Total 2020
	£	£	£
Show costs	65,503	-	65,503
Staff costs	234,367	351,551	585,918
Premises costs	91,442	-	91,442
Other costs	176,001	244,154	420,155
	<u>567,313</u>	<u>595,705</u>	<u>1,163,018</u>

All direct costs were unrestricted in this year and last. Within support costs, £3,082 (2020: £3,082) is restricted expenditure and £515,116 (2020: £592,623) is unrestricted.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. SUPPORT COSTS

2021	Unrestricted £	Restricted £	Total 2021 £
Wages and salaries	268,304	-	268,304
Professional fees	47,614	-	47,614
Insurance	8,717	-	8,717
Postage and telephone	7,168	-	7,168
Other office expenses	6,464	-	6,464
Bank loan interest	10,139	-	10,139
Member loan interest	932	-	931
Depreciation	149,493	3,082	152,575
<u>Governance costs</u>			
Audit and accountancy services	14,000	-	14,000
Trustees' insurance	1,488	-	1,488
Trustees' meeting expenses	797	-	797
	<hr/>	<hr/>	<hr/>
	515,116	3,082	518,198
	<hr/>	<hr/>	<hr/>
2020	Unrestricted £	Restricted £	Total 2020 £
Wages and salaries	351,551	-	351,551
Professional fees	29,340	-	29,340
Insurance	8,924	-	8,924
Postage and telephone	13,397	-	13,397
Other office expenses	8,618	-	8,618
Bank loan interest	9,629	-	9,629
Member loan interest	1,300	-	1,300
Depreciation	157,494	3,082	160,576
<u>Governance costs</u>			
Audit and accountancy services	10,480	-	10,480
Trustees' insurance	1,488	-	1,488
Trustees' meeting expenses	402	-	402
	<hr/>	<hr/>	<hr/>
	592,623	3,082	595,705
	<hr/>	<hr/>	<hr/>

Support costs are allocated to costs of raising funds and expenditure on charitable activities on a basis which is estimated to be consistent with the use of resources.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. STAFF COSTS

	Total 2021	Total 2020
	£	£
Wages	367,076	445,367
Redundancy payments	12,520	12,963
Social security	39,880	45,673
Pension costs	25,969	78,686
	<hr/>	<hr/>
	445,445	582,689
	<hr/>	<hr/>

The average number of employees during the year, on head count basis, was as follows:

	2021	2020
Office administration	3	11
Showground maintenance	7	4
	<hr/>	<hr/>
	10	15
	<hr/>	<hr/>

The number of higher paid employees was:

	2021	2020
In the band £90,001 - £100,000	1	1
	<hr/>	<hr/>

The charity trustees were not paid or received any other benefits from the Association or its subsidiary in the year (2020 - £Nil) neither were they reimbursed expenses during the year (2020 - £Nil). No charity trustees received payment for professional or other services supplied to the charity (2020 - £Nil).

The key management personnel of the parent charity, the Association, comprise the Trustees, the Managing Director and the Financial Controller. The total employee benefits of the key management personnel of the Trust were £164,858 (2020: £242,329).

The key management personnel of the group comprise those of the Charity and the key management personnel of its wholly owned subsidiaries. The key management personnel of its wholly owned subsidiaries are the same as those of the parent charity.

Royal Norfolk Agricultural Association is committed to paying a former employee a pension contribution of £200/month, for the lifetime of this person. There will be no adjustment for inflation, and there is no next of kin entitlement.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging:

	2021	2020
Depreciation	164,946	173,596
Profit on sale of fixed assets	978,296	10,475
Auditor remuneration	11,150	9,915
- Audit	2,100	1,585
- Other financial services		
Operating lease rental costs		
for plant and machinery	10,710	10,710
Operating lease income	<u>118,516</u>	<u>111,687</u>

11. TANGIBLE FIXED ASSETS

Group and Charity:

	Freehold land	Buildings and improvements	Plant and machinery	Total
	£	£	£	£
Cost				
As at 1 January 2021	1,208,867	5,680,207	1,762,271	8,651,345
Additions	-	53,330	42,947	96,277
Disposals	(56,033)	-	-	(56,033)
As at 31 December 2021	<u>1,152,834</u>	<u>5,733,537</u>	<u>1,805,218</u>	<u>8,691,589</u>
Depreciation				
As at 1 January 2021	87,568	3,980,441	1,615,352	5,683,361
Charge for year	-	124,507	40,439	164,946
As at 31 December 2021	<u>87,568</u>	<u>4,104,948</u>	<u>1,655,791</u>	<u>5,848,307</u>
Net book value				
As at 31 December 2021	<u>1,065,266</u>	<u>1,628,589</u>	<u>149,427</u>	<u>2,843,282</u>
As at 31 December 2020	<u>1,121,299</u>	<u>1,699,766</u>	<u>146,919</u>	<u>2,967,984</u>

Net book value of plant and machinery held under hire purchase obligations is £18,657 (2020: £26,377)

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. INVESTMENTS

	Group		Charity	
	2021	2020	2021	2020
	£	£		
Listed investments	868,689	766,862	868,689	766,862
Subsidiary undertakings	-	-	3	3
Investment in associated undertakings	-	286,587	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	868,689	1,053,449	868,692	766,865
	<hr/>	<hr/>	<hr/>	<hr/>

Listed securities

	2021	2020
	£	£
As at 1 January 2021	766,862	781,173
Additions	171,524	170,326
Disposals at market value	(160,204)	(186,084)
Unrealised gain/(loss) on revaluation	90,507	1,447
	<hr/>	<hr/>
	868,689	766,862
	<hr/>	<hr/>

The historical cost of the investments at 31 December 2021 is £651,655 (2020: £626,949).

Listed securities comprise:

	2021	2020
	£	£
UK Government stocks	63,177	60,960
Sterling bonds	-	47,951
UK listed equities	805,512	657,951
	<hr/>	<hr/>
	868,689	766,862
	<hr/>	<hr/>

Subsidiary undertakings

The following were subsidiary undertakings during the year:

	Holding
Norfolk Showground Limited (02814458) (note 4)	100%
Norfolk Showground Developments Limited (08977136) (note 6)	100%

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12. INVESTMENTS (continued)

Investment in associated undertakings

The Group's investment in associated undertakings above represents the 24.72% (2020 - 22.02%) interest held by Norfolk Showground Developments Ltd in ELC JV LLP.

ELC JV LLP was formed by four landowners in the Easton area to exploit their land to gain maximum return from obtaining planning permission on a larger single site than on four smaller separate sites. ELC JV LLP had an option to purchase a proportion of the land owned by the Association which it exercised during the year.

The sale of land completed on 17 May 2021 for £14m, of which £9.934m was due to ELC JV LLP. The surplus achieved from the sale has been recognised in full in the accounts of ELC JV LLP in the year ended 31 July 2021, generating a profit due to members of £8.587m. Under the terms of the sale agreement, the sales proceeds are to be paid to ELC JV LLP in three tranches – the first was on the completion date (17 May 2021), the second in April 2022 and the last in May 2023.

As a result of the above, ELC JV LLP has achieved its objective of selling the land on behalf of the joint venture partners. No future surpluses are anticipated and there is no intention for the LLP to continue trading once post-sale completion matters have ceased and all future sales proceeds have been fully received and distributed. It is therefore anticipated that the LLP will be wound up in 2023/24. Following the first tranche of sales proceeds received in May 2021, Norfolk Showground Developments Limited received back the capital originally introduced and therefore the investment in the joint venture has been reduced to zero. The profit share due to Norfolk Showground Developments Limited of £2,122,612 has been included within these accounts and the remaining amount due to the Group of £936,898 is included within debtors. The accounting reference date of the LLP is 31 July 2021.

At 31 December 2021 the company had loaned £286,587 (2020: £286,587) to Norfolk Showground Developments Ltd.

13. DEBTORS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Debtors due within one year				
Trade debtors	69,574	6,055	28,709	435
Amounts owed from group undertakings	-	-	286,587	286,587
Prepayments and accrued income	176,338	128,868	166,070	121,186
Other debtors	785,721	41,077	14,784	18,083
Debtors due in greater than one year				
Other debtors	1,207,495	-	1,050,805	-
	<u>2,239,128</u>	<u>176,000</u>	<u>1,546,955</u>	<u>426,291</u>

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	102,362	52,172	92,362	49,672
Obligations under hire purchase	6,886	6,344	6,886	6,344
Trade creditors	79,024	62,215	71,824	51,381
Accruals and deferred income	218,130	173,465	79,134	27,662
Social security and other taxes	29,585	25,408	12,062	21,547
Amounts owed to group	-	-	211,406	172,827
Other creditors	137,938	284,573	84,789	280,872
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>573,925</u>	<u>604,177</u>	<u>558,463</u>	<u>610,305</u>

Deferred income comprises income received in advance relating to membership, rent and trade stands planned for January 2022 onwards.

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Balance brought forward	147,203	252,167	7,024	142,372
Amount released during the year	(402,139)	(252,167)	(79,186)	(142,372)
Amount deferred in the year	436,159	147,203	123,385	7,024
	<hr/>	<hr/>	<hr/>	<hr/>
Balance carried forward	<u>181,223</u>	<u>147,203</u>	<u>51,223</u>	<u>7,024</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans due between 2 and 5 years	411,879	415,789	374,379	375,789
Other loans due between 2 and 5 years	62,350	62,350	62,350	62,350
Hire purchase due between 2 and 5 years	7,348	14,234	7,348	14,234
Bank loans due after more than 5 years	57,523	152,575	57,523	145,075
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>539,100</u>	<u>644,948</u>	<u>501,600</u>	<u>597,448</u>

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

The Charity has two bank loans. The first loan is secured against the Charity's fixed asset listed investment portfolio. The loan is repayable in 180 consecutive monthly instalments over 15 years, ending in February 2028, after a 9 month capital repayment holiday. Interest is payable at 2.75% above the Bank of England base rate per annum.

The second loan relates to a Coronavirus Business Interruption Loan that the Charity took out in 2020. This loan is secured by a fixed and floating charge over the Charity's assets. The loan is repayable in 60 consecutive monthly instalments, after a 12 month holiday period, over 6 years, ending in September 2026.

The Charity's subsidiary, Norfolk Showground Limited borrowed a Bounce Back Loan in 2020. The loan is repayable in 60 consecutive monthly instalments, after a 12 month holiday period, over 6 years, ending in September 2026.

The other loans are from the Charity's Members and others. Of these other loans £10,850 (2020: £10,850) are interest free and £51,500 (2020: £51,500) are interest bearing. Interest is payable on the interest bearing loans at 2% above the Bank of England base rate per annum. These loans are unsecured and are repayable on 12 months notice given in writing by the loan note holder or at the discretion of the Charity.

16. BANK AND OTHER LOANS

Financial instruments measured at amortised cost comprise the loan financing provided by Lloyds Bank Plc and the members to the Association (note 14 and 15).

	2021 £	2020 £
Loans payable falling due within 1 year	102,362	52,172
Loans payable falling due in more than 1 year but less than 5 years	411,879	478,139
Loans payable falling due after 5 years	57,523	152,575
	<u>571,764</u>	<u>682,886</u>

The market risk facing the Association is that it is expected that interest rates will rise due to the global COVID-19 pandemic.

17. FINANCE LEASE

Future minimum lease payments relating to plant and machinery held under hire purchase obligations at the end of the reporting year are analysed as follows.

	2021 £	2020 £
Not later than one year	6,886	6,344
Later than one and not later than five years	7,348	14,234
	<u>14,234</u>	<u>20,578</u>

The lease is over a period of five years with equal annual repayment instalments. At the termination of the lease there is an option for purchase.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. UNRESTRICTED DESIGNATED FUND

2021	Opening balance	Income	Expenditure	Closing balance
	£	£	£	£
Infrastructure investment fund	-	3,100,908	-	3,100,908
	-	3,100,908	-	3,100,908

The unrestricted designated fund has been created following the disposal of land to Persimmon Homes Ltd during the year and consists of the gain on sale of land of £978,296 plus income from participating interests received in Norfolk Showground Developments Limited of £2,122,612. The Trustees have ringfenced this exceptional one-off gain for investment in the Showground's infrastructure and facilities. There was no designated income or expenditure in the year to 2020.

19. RESTRICTED FIXED ASSET FUND

2021	Opening balance	Income	Expenditure	Closing balance
	£	£	£	£
Norfolk Showground Arena Project	49,311	-	(3,082)	46,229
Norfolk Agricultural Association Norwich Plate	1,420	-	-	1,420
	50,731	-	(3,082)	47,649

2020	Opening balance	Income	Expenditure	Closing balance
	£	£	£	£
Norfolk Showground Arena Project	52,393	-	(3,082)	49,311
Norfolk Agricultural Association Norwich Plate	1,420	-	-	1,420
	53,813	-	(3,082)	50,731

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

2021	Unrestricted general fund	Unrestricted designated	Restricted fixed asset	Total
	£	£	£	£
Fixed assets	3,664,322	-	47,649	3,711,971
Cash at bank and hand	464,747	1,472,301	-	1,937,048
Other current assets/liabilities	37,337	1,628,607	-	1,665,944
Creditors more than one year	(539,100)	-	-	(539,100)
	<u>3,627,306</u>	<u>3,100,908</u>	<u>47,649</u>	<u>6,775,863</u>
2020	Unrestricted general fund	Unrestricted designated	Restricted fixed asset	Total
	£	£	£	£
Fixed assets	3,970,702	-	50,731	4,021,433
Cash at bank and hand	535,580	-	-	535,580
Other current assets/liabilities	(427,395)	-	-	(427,395)
Creditors more than one year	(644,948)	-	-	(644,948)
	<u>3,433,939</u>	<u>-</u>	<u>50,731</u>	<u>3,484,670</u>

21. OPERATING LEASE COMMITMENTS

At 31 December 2021, the group had future minimum lease payments under non-cancellable operating leases for plant and machinery as follows:

	2021 £	2020 £
Within one year	10,710	10,710
Between 2 and 5 years	<u>15,159</u>	<u>25,869</u>

At 31 December 2021, the group had future minimum lease receipts under non-cancellable operating leases for land as follows:

	2021 £	2020 £
Within one year	118,516	69,816
Between 2 and 5 years	456,064	269,664
More than five years	<u>1,344,623</u>	<u>1,157,658</u>

All of the operating leases were held within the parent company only.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. NET DEBT

Analysis of group net debt

	At start of year £	Cashflows £	At end of year £
Cash	535,580	1,401,468	1,937,048
Loans falling due within one year	(52,172)	(50,190)	(102,362)
Loans falling due after more than one year	(630,714)	98,962	(531,752)
Finance lease obligations	(20,578)	6,344	(14,234)
	<u>(167,884)</u>	<u>1,456,584</u>	<u>1,288,700</u>

Analysis of company net debt

	At start of year £	Cashflows £	At end of year £
Cash	529,883	(76,898)	452,985
Loans falling due within one year	(49,672)	(42,690)	(92,362)
Loans falling due after more than one year	(583,214)	88,962	(494,252)
Finance lease obligations	(20,578)	6,344	(14,234)
	<u>(123,581)</u>	<u>(24,282)</u>	<u>(147,863)</u>

23. CAPITAL COMMITMENTS

The Association had capital commitments authorised and contracted as at 31 December 2021 of £Nil (2020: £Nil).

24. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension costs charge represents contributions payable by the group to the fund and amounted to £25,969 (2020: £78,686).

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Association's activities and the composition of the board of trustees, transactions have taken place with entities in which trustees have an interest. However, in accordance with the Charities Statement of Recommended Practice (FRS102), disclosure of these transactions is not required if the trustees do not have control over the other entities.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

25. RELATED PARTY TRANSACTIONS (continued)

Food and Farming Discovery Trust (FFDT) is a related party as C S J Scott is a Trustee of both FFDT and RNAA. During the year the association recharged to FFDT expenses totalling £Nil (2020: £420). The Association made two grants to FFDT in the year to 2021 (2020: Nil). One grant was made of £6,570 relating to the part settlement of the prior year debtor. The Association also granted website costs of £20,000 incurred relating to the improvement of FFDT's website. At 31st December 2021 the Association owed FFDT a balance of £43,708 (2020: FFDT owed the Association £12,570) and is included within Other Creditors of the Association. At 31st December 2021 a cash balance was held on behalf of FFDT of £43,708 (2020: £22,422).

RNAA also acted as an agent on behalf of FFDT during the financial year, with income being received totalling £64,677 (2020: 40,250) and expenditure being incurred totalling £43,391 (2020: £22,273), through a designated bank account. At 31st December 2021 the cash balance was held on behalf of FFDT of £43,708 (2020: £22,422).

Glen Lodge Bawburgh Limited (Glen Lodge) was a related party as F L Broom, a Trustee of the Association until September 2021, is a close family member of the controlling party of Glen Lodge. During the period to September 2021 the Association received land rental and lease income from Glen Lodge of £84,282 (year to 2020: £105,467). At 31st December 2020 Glen Lodge owed the Association £10,811 which was included in Prepayments and Accrued Income.

No other related party transactions have occurred in the financial year (2020: £Nil).

26. AGENCY ARRANGEMENTS

In the year to 31 December 2020, the Association should have hosted the 29th Commonwealth Agricultural Conference on behalf of the Royal Agricultural Society of the Commonwealth (RASC), however this was cancelled due to the pandemic. In the year to 2020, income was received totalling £29,819 of which delegates were refunded £56,203 due to the cancellation. Expenditure was incurred on behalf of RASC of £31,734 and refunds on expenditure were received and retained by RNAA, totalling £27,421. RASC repaid RNAA £67,922, leaving a net amount was owed to the Association of £Nil at the year-end. There was no such arrangement during 2021.

27. CONTINGENT LIABILITIES

The charity is part of a group VAT registration and therefore is potentially liable for the VAT of the subsidiary. As at 31 December 2021, its subsidiary, Norfolk Showground Limited had a debtor relating to VAT of £9,276 (2020: Creditor (£3,861)).