

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 2022**

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

CONTENTS

	Page
Trustees' report (including directors' report)	1
Auditors' report	14
Consolidated Statement of Financial Activities	18
Consolidated Balance Sheet	19
Balance Sheet	20
Consolidated Statement of Cash Flows	21
Notes to the financial statements	22

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 R M Beazley (resigned 21 April 2022) C S J Scott C E Savory FCA L Lockhart N J Dulieu FCCA S J Hickling Dr J H Clarke Dr C M Richards A Spinks (appointed 21 April 2022)	
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 2022

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 2022. 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 1817702, 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 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, and education.

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 routinely seven times a year. 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 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.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

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 Association 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. Council members may undertake representational duties at the Royal Norfolk Show, and at other events and activities.

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. The key risks identified during the course of the year were:

Failure of critical infrastructure leads to accident or restricted use of Showground – treated by the upgrade of three electricity substations and substantial repairs to the road network.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

Impact of pandemic results in events, including the Royal Norfolk Show not being financially viable – careful analysis of the public health conditions informed Board level decision making about the prospects for the Royal Norfolk Show, and other third-party events. The availability of indoor/outdoor event options significantly reduced the likelihood of event cancellations. The risk of a reduction in income from fewer events did not materialise.

Death of the Monarch (RNAA Patron) could result in cancellation/curtailment of the Royal Norfolk Show – guidance issued by the Norfolk Lieutenancy informed planning assumptions about the impact of the death of the Monarch. The risk was tolerated and did not materialise.

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.

The easing of the pandemic in early 2022 enabled the Association to proceed with the planning and delivery of the Royal Norfolk Show over 29-30 June 2022. No health-related measures were required, and the Show was able to operate without restrictions. However, the continuing presence in the UK of Avian Influenza resulted in the poultry section of the Show being cancelled.

During the Covid period, the staff team had been restructured to meet the future needs of the business and reduced in size. During 2022, as activity levels returned to normal levels, the Association was able to increase the staff team to respond to additional workloads, mostly related to the return of the Royal Norfolk Show.

The Association continued to make use of local authority business grant schemes designed to support the leisure sector and its recovery from the pandemic period.

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 businesses 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.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

3. To develop a strategy for increased commercial use of Norfolk Showground, and income streams to underpin our charitable work.
4. To contribute to the development of a strategy for the region.

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 pandemic/biosecurity threats be mitigated and the Association's exposure limited?
- Compliance: Does our site and do our activities comply with Health & Safety Executive legislation and guidance?

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 and received no fundraising complaints during the year. The RNAA is not a member of the fundraising regulator.

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. The 2022 Royal Norfolk Show was held over 29-30 June and provided a successful showcase for the industry, and wider county.
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. Event bookings and other commercial activities returned to more familiar levels in 2022 as the outdoor events market recovered from the impacts of the pandemic. The RNAA maintained commercial tenants on site at Norfolk Showground throughout 2022.
3. Supporting our education vehicle, the Food and Farming Discovery Trust (FFDT). During 2022 the FFDT returned to full operating capability and delivered an inspired range of education activities.
4. 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

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

online events that were scheduled throughout the year, and included a major industry consultation event, *Leading the Field*, which examined the RNAA's outputs.

5. Building a committed and active membership base. Membership levels have returned to pre-pandemic levels. A new proposition for members includes enhanced communication through the website, routine newsletters, and membership events.

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

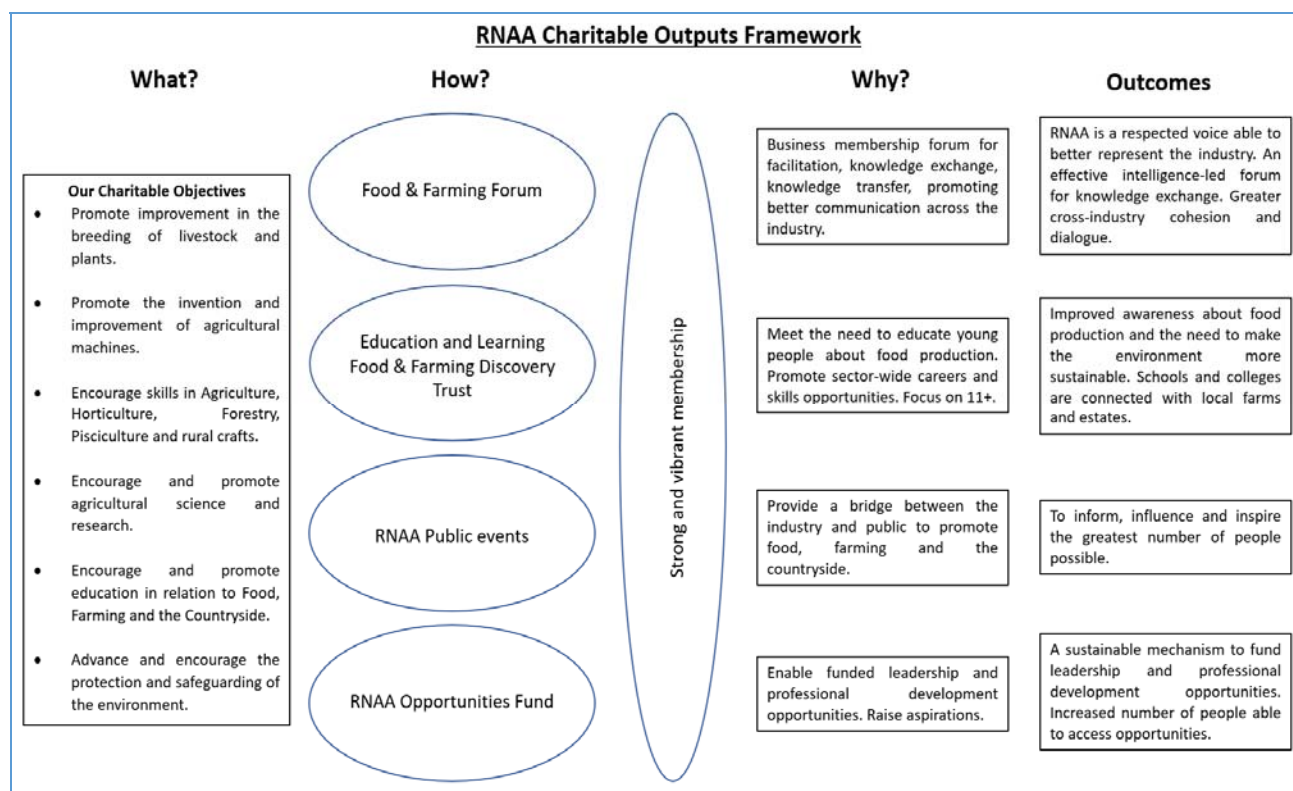
By the end of 2021 the new staff team had reached full operating capability and began to take forward a new strategy of engagement within the agricultural sector and wider business community, as well as improving internal systems and processes. The thrust of this work has been to utilise more online and digital communication, and to encourage a more commercial approach to our operations.

The receipt of up to £574,900 of grant funding from the Culture Recovery Fund (second round) in 2021 had allowed the Association to continue to function, albeit with reduced activity levels, during the period of the pandemic, but set the conditions for a relevant and sustainable business going forward. In March 2022, the RNAA drew together the *Leading the Field* consultation, bringing together farmers and landowners, research and education institutions, local and regional policymakers and other stakeholders to help inform the Association's strategy. A recurring theme was the opportunity for the RNAA to use its leverage more effectively to bring together people and resources for the benefit of the agricultural sector. The exercise – supported by a wider ongoing programme of consultation – identified that the Association is perfectly placed to ensure that a broad range of stakeholders can be better connected to share and exchange knowledge and, at a local level, to identify, understand and address the complex challenges facing the industry.

A summary of the new strategy is provided here:

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022



The key lines of development of this strategy are:

Food and Farming Forum

The Association has continued to develop the concept of a food and farming forum to support the local agricultural industry. The concept provides for a broad-based membership forum that provides access to an intelligence-led network of food and farming organisations for the benefit of collaboration, knowledge exchange and problem solving. Bringing together practitioners, researchers, educators and consumers, the forum aims to enhance the sharing of knowledge, and the ability to solve industry problems at a local level.

Food & Farming Discovery Trust

Dr Shannon Woodhouse, formerly of the John Innes Centre, was appointed Trust Manager in March 2022. Under Dr Woodhouse's leadership the Trust has developed an effective programme of learning activities for Key Stage 1-3 youngsters. Partnerships have been developed with The Morley Agricultural Foundation, John Innes Foundation, the Wherry School, and with Norwich Research Park user organisations. The RNAA has continued to be the lead supporting organisation for the FFDT, securing funding for revenue and projects, and providing finance management and administrative support.

Public events

The new strategy re-enforces the importance of the Royal Norfolk Show as an event that brings together the agricultural community and connects the industry with the wider public. It is envisaged that other public events are mounted as a response to demand, or to achieve a specific objective. The 6th Norfolk Skills and Careers Festival was held over 9-10 March 2022. The event is of regional importance and provided a skills and careers showcase for 7,500 youngsters (2021 – Nil as no Festival held) from across Norfolk and Suffolk, who were able to learn from 100 employers (2021 – Nil as no Festival held) representing many sectors. The Festival is run by the RNAA and supported by a coalition of willing organisations who understand the importance of inspiring the young generation with regard to their future employment opportunities.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

RNAA Opportunities Fund

The RNAA Opportunities Fund has been established to enable an expansion of the support we are able to offer to those considering a career in farming or seeking to develop their skills and experience. The aim is to help young people to achieve their potential and to open their eyes to the breadth of opportunity a career in food and farming can offer. In the short to medium term, the Fund will seek to provide bursaries, grants, scholarships, mentoring and other forms of support, including building on our own education work and formalising volunteer and young ambassador schemes. The fund launched in November 2022 and through fundraising efforts has been able to fund:

- The award of a Nuffield Farming Scholarship to Harry Barnett, Holkham Potato Enterprise.
- Made grants to two farmers towards their continued professional development by undertaking Worshipful Company of Farmers leadership development course.
- Enabled three outstanding aspiring farmers to attend the Oxford Farming Conference.
- Provided for 17 bursaries for attendance at the annual Agri-TechE REAP conference.

In the longer term, we plan to build an endowment to secure these opportunities for future generations.

Royal Norfolk Show

The first post-pandemic Royal Norfolk Show took place on 29-30 June 2022. The Show returned largely with its character unchanged but with a fresh 'look and feel'. Overall attendance was confirmed as 78,796 (2021 – Nil as no show held). Livestock showing numbers whilst strong were slightly down on the 2019 Show. We were delighted to have hosted the Aberdeen Angus National Summer Show and the Kerry Hill Sheep Annual Show. Other elements of the agricultural industry were strongly represented at the Show, and it was pleasing to see many agricultural related organisations undertaking engagement opportunities. We were particularly pleased to have welcomed the Royal Agricultural Society of the Commonwealth, and the Council for Awards of Royal Agricultural Societies. The Show also provided a fitting opportunity for the celebration of Queen Elizabeth II's Platinum Jubilee with a large-scale musical pageant involving school children taking place in the Grand Ring. HRH The Princess Royal, past President, visited the Show on Wednesday 29 June.

Support to 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. The Norfolk Federation of Young Farmers Clubs headquarters, is co-located with the RNAA office. In December 2022 Norfolk FWAG (Farming and Wildlife Advisory Group) re-located its office to Norfolk Showground. 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.

Additionally, the Association provided support to the Norfolk Community Foundation project Nourishing Norfolk, which aims to alleviate food poverty through the provision of local food hubs. The RNAA has provided central warehouse space and helped coordinate communication efforts with food producers.

Grant funding was awarded to Norfolk Federation of Young Farmers Clubs, Food & Farming Discovery Trust, and the Nuffield Global Tour Fund.

Education

2022 has been a busy and successful year for our sister charity the Food and Farming Discovery Trust. The Learn About Livestock Project, sponsored by the Clan Trust, grew from six schools to over double the number

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

in 2022. The project enables school children to experience farming first-hand by looking after a ewe and her lamb(s) on school grounds for an entire week.

The Discovery Zone is the educational hub for the Royal Norfolk Show and this year we welcomed over 8,000 school and home educated children (2021 – Nil as no show held). Themed on the Norfolk staple crop the potato, students could explore planters that represented a potato field in different seasons and harvest a potato, before peeling and slicing it to create their own chips. At the Show we also launched our new Show Ambassadors Scheme for Sixth Form Students. The scheme aims to promote leadership, communication, and teamwork, by giving students the responsibility of being an integral part of the Discovery Zone. The scheme worked extremely well and saw students engaging with their peers, the public and our generous funders.

2022 also saw the launch of the On The Map Project, in partnership with the Science Art and Writing Trust. This project, funded by Anguish's Educational Foundation, aims to connect schools to local food producers and growers, to enable students to learn more about food production, land—use and career opportunities in their local area. We hope the legacy of this project will be lasting connections between organisations and schools.

The new digital platform was launched in September. This interactive site will be the home for all online resources, and already hosts our Conscious Consumers Resources. The hub also includes interactive maps of Norfolk, careers information, and enables visitors to keep up to date with the latest news from the FFDT.

Looking to 2023 we intend to be involved in the Norwich Science Festival in February and to host our first AgriTech Careers for a Sustainable Future Event at the John Innes Centre in March. We hope to extend our reach through our expanding portfolio of events, allowing even more young people the opportunity to learn more about food, farming and the countryside.

Jamie Lockhart, Managing Director at Frederick Hiam Ltd, continues with his Nuffield Scholarship, sponsored by the RNAA. Harry Barnett, Holkham Potato Enterprise Manager, was awarded a Nuffield Scholarship in 2022

Knowledge Transfer

This is a key activity as we try to encourage the industry to work more collaboratively. During 2022 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 a visit for 70 RNAA members was conducted to Mill Farm, Tharston to tour a robotic dairy milking system. Participants on the visit included a cohort of students from East Norfolk Sixth Form College.

The YIELD network – this group of younger members now numbers over 270 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 2022 – for virtual and physical events – which included knowledge exchange and professional development. Our YIELD Group of young professionals has taken full advantage of a wealth of knowledge sharing opportunities throughout the year. Highlights of the YIELD programme have included: an industry briefing with Emily Norton, Head of Research Savills Plc; a study of low carbon farming techniques at the new Bom tomato growing facility; a tour of the Broadland Food Innovation Cluster project and vertical farm at the Food Enterprise Zone, Honingham; and a tour of precision farming techniques at Bush Green Farm, Diss, hosted by AJ Alexander and Son.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

YIELD is now recognised as an influential group for those who are passionate about farming and want to be part of a successful forward-thinking industry.

During 2022 the RNAA assumed the lead for the organisation of the Norfolk Farming Conference. The first post-pandemic conference was held at Norfolk Showground on 30 November 2022. Over 300 delegates attended the conference which was chaired by Dr Belinda Clarke, Director Agri-TechE. The top-level themes of Trade – Challenges and Opportunities; Farming Carbon and the Environment; and Water – resource use and flood mitigation were illustrated by key note speakers including Lord Dannatt, Daniel Zeichner MP, Tom Bradshaw NFU, and Sir Dieter Helm economist.

ESTATE AND INFRASTRUCTURE

Following the receipt of funds from the disposal of land to Persimmon Homes Ltd in 2021 a programme of urgent maintenance and existing capital expenditure has been undertaken. The Showground has required significant investment in existing infrastructure and we have taken the opportunity to improve the energy efficiency of the Showground site. During 2022 investment has totalled £1,042,398 (2021 - £96,277) and delivered the following:

Water supply system. A project to supply the Showground with non-potable/potable water from a neighbouring landowner was completed in June 2022. The impact of this project is to secure the supply of water at a sustainable cost for the long term, and to reduce the risk of waterborne bacteria through improved treatment procedures.

Electricity Substation upgrades. All three substations have been upgraded and updated. The completion of these upgrades significantly reduces the risk of power failure to the site.

PV Solar installation. PV panels have been mounted onto the roof of the Norfolk Events Centre. The capacity of the system is to produce 102% of our electricity requirement (weather dependent). The export of electricity will be achieved once the system is connected to the National Grid.

FINANCIAL REVIEW

On a consolidated basis, our net surplus before gains/(losses) on investments totalled £182,624 (2021 – £3,197,470). The results in the year have been influenced by the following major factors:

- The first Royal Norfolk Show since 2019 generated an income of £1,475,547 (2021 – Show income £Nil). This income was higher than budgeted, principally due to increased admission revenues.
- Royal Norfolk Show costs including staff costs were £1,164,157 (2021 – Show costs £Nil). These were slightly lower than overall budgeted amounts due to tight financial controls.
- Membership subscription income was £170,830 (2021 - £62,077). This amount was higher than budgeted and mainly due to the return of the Royal Norfolk Show following the hiatus caused by the Covid-19 global pandemic.
- Norfolk Showground Limited made a profit of £274,289 (2021 - £116,587) on income of £761,451 (2021 - £417,600) reflecting the return of the events at the showground following the introduction of the Government's Road Map to Recovery in early 2021.
- Showground facilities maintenance costs of £296,621 (2021 - £215,528) were under budget.
- Realised and unrealised losses on investments were £63,932 (2021 – gains £93,723).

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

- The surplus for 2021 includes income of £3,100,908 from the sale of land

The Association continues to manage its costs through careful item by item budgeting, regular financial reporting, a purchase order system and frequent reviews of costs by executive staff and Trustees.

PLANS FOR THE FUTURE

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.

In 2022 the Board of Trustees began the implementation of a new strategy for the development of Norfolk Showground. The strategy is summarised as:

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.

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.

The Showground will be an **open parkland, brought to life**, used and shaped by its communities and visitors.

The experience created by new development on the Showground will be a **show of shows, a festival ground**, rather than a single venue, which at its heart celebrates agriculture and food.

The Showground will become a place where people go for **enjoyment and connect with food, farming and the countryside**.

Projects under development and consideration in 2023 are:

Norfolk Events Centre extension

Formally known as Norfolk Arena, the Norfolk Events Centre is to receive an extension to the existing facility and refurbishment of parts of the main exhibition hall. The extension will provide for ancillary accommodation including kitchen facilities, bar space, breakout rooms, storage space, and improved external lighting. The aim is to create a more versatile facility by providing useful spaces and to enable the main exhibition hall to be divided with a movable soundproof wall. Planning permission was received for the project in December 2022 and work is expected to be completed by October 2023.

Norfolk Food Hall and Market Garden

A planning application has been submitted to build a food hall and market garden at Norfolk Showground. The RNAA intends to build a Food Hall and Cafe promoting the best of local produce. Taking advantage of the Showground's location and the wealth of producers and processors in the county, this will give a high-profile shop window for small businesses, with interpretation and education activities. The associated Market Garden will give the opportunity to engage with growing and selling produce. The aim will be to equip those engaging with the project to initiate and support growing in their local communities as well as enabling the development of new skills and associated health and wellbeing benefits.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

Norfolk Showground Caravan Site

A planning application has been submitted to resurrect a caravan site at the Showground. The caravan site will support the drive for greater use of the Showground for a range of indoor and outdoor events.

Reserves Policy

The Association has assessed that reserves of £1,000,000 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 £6,894,552 (2021: £6,775,863) which includes restricted funds of £44,567 (2021: £47,649) and unrestricted funds of £6,849,985 (2021: £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 2022 free reserves totalled £2,919,362 (2021: £3,649,983).

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 2024 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 2022 the portfolio has seen a decline due to global economic events but has maintained an average value of over £800,000 and returned 3.00%.

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

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

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 02 March 2023 and signed on its behalf by:

R C Alston

Rob Alston (Apr 5, 2023, 8:56am)

R C Alston

Trustee

ROYAL 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 2022 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 2022, 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,

ROYAL 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.

ROYAL 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.
- We reviewed minutes of Trustee meetings, any 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 have made enquiries of management and trustees of the Association regarding laws and regulations applicable to the organisation.
- We reviewed the risk management processes and procedures in place including a 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.

ROYAL 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: **6 April 2023**

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Unrestricted general £	Unrestricted designated £	Restricted £	Total 2022 £	Total 2021 £
Income and endowments from:						
Grants and Donations	2	150,543	550	-	151,093	559,725
Charitable activities	3	1,656,092	66,071	-	1,722,163	115,034
Other trading activities	4	973,903	-	-	973,903	584,280
Investments	5	31,878	-	-	31,878	23,179
Other	6	7,966	-	-	7,966	3,149,682
Total income		2,820,382	66,621	-	2,887,003	4,431,900
Expenditure on:						
Raising funds (being subsidiary expenditure)	4	158,165	-	-	158,165	87,456
Charitable activities	7	2,487,499	55,636	3,082	2,546,217	1,146,974
Total expenditure		2,645,664	55,636	3,082	2,704,382	1,234,430
Net income/(expenditure)		174,718	10,985	(3,082)	182,621	3,197,470
Net (losses) / gains on investments		(63,932)	-	-	(63,932)	93,723
Net movement in funds		110,786	10,985	(3,082)	118,689	3,291,193
Reconciliation of funds:						
Funds brought forward		3,627,306	3,100,908	47,649	6,775,863	3,484,670
Movement between funds		987,237	(987,237)	-	-	-
Total funds carried forward		4,725,329	2,124,656	44,567	6,894,552	6,775,863

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 43 form part of these financial statements.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION
REGISTERED NUMBER: 04329682

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	3,733,986	2,843,282
Investments	12	<u>820,659</u>	<u>868,689</u>
		4,554,645	3,711,971
Current assets			
Stock		2,161	741
Debtors: amounts falling due after more than one year	13	441,169	1,207,495
Debtors: amounts falling due within one year	13	1,182,202	1,031,633
Cash at bank and in hand		<u>1,716,123</u>	<u>1,937,048</u>
		3,341,655	4,176,917
Creditors: amounts falling due within one year	14	<u>(570,433)</u>	<u>(573,925)</u>
Net current assets		2,771,222	3,602,992
Total assets less current liabilities		7,325,867	7,314,963
Creditors: amounts falling due after more than one year	15	<u>(431,315)</u>	<u>(539,100)</u>
Net assets		6,894,552	6,775,863
Group Funds			
Unrestricted general funds		4,725,329	3,627,306
Unrestricted designated funds	18	2,124,656	3,100,908
Restricted fixed asset fund	19	44,567	47,649
Total group funds		6,894,552	6,775,863

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 02 March 2023 and signed on their behalf, by:

R C Alston

Rob Alston (Apr 5, 2023, 8:56am)

R C Alston

Trustee

C E Savory

Charlie Savory (Apr 5, 2023, 3:17pm)

C E Savory ACA

Trustee

The notes on pages 20 to 43 form part of these financial statements.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION
REGISTERED NUMBER: 04329682

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	3,733,986	2,843,282
Investments	12	<u>820,662</u>	<u>868,692</u>
		4,554,648	3,711,974
Current assets			
Debtors: amounts falling due after more than one year	13	441,169	1,050,805
Debtors: amounts falling due within one year	13	1,138,005	496,150
Cash at bank and in hand		<u>1,697,320</u>	<u>452,985</u>
		3,276,494	1,999,940
Creditors: amounts falling due within one year	14	<u>(532,775)</u>	<u>(558,463)</u>
Net current assets		<u>2,743,719</u>	<u>1,441,477</u>
Total assets less current liabilities		7,298,367	5,153,451
Creditors: amounts falling due after more than one year	15	(403,815)	(501,600)
Net assets		<u>6,894,552</u>	<u>4,651,851</u>
Charity Funds			
Unrestricted general funds		4,725,329	3,625,906
Unrestricted designated funds	18	2,124,656	978,296
Restricted fixed asset fund	19	44,567	47,649
Total charity funds		<u>6,894,552</u>	<u>4,651,851</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 02 March 2023 and signed on their behalf, by:

R C Alston

Rob Alston (Apr 5, 2023, 8:56am)

R C Alston
Trustee

C E Savory

Charlie Savory (Apr 5, 2023, 3:17pm)

C E Savory ACA
Trustee

The notes on pages 20 to 43 form part of these financial statements.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Cash flow from operating activities				
Net movement in funds	118,692	3,291,193	2,242,701	1,168,581
<u>Adjusted for:</u>				
Depreciation	193,077	164,946	193,077	164,946
Profit on disposal of tangible fixed assets	-	(978,296)	-	(978,296)
Dividend and interest income	(31,878)	(23,179)	(31,878)	(23,179)
Net loss/(gain) on investments	44,270	(93,723)	44,270	(93,723)
Interest paid	22,341	12,494	21,280	12,132
Decrease/(increase) in trade and other debtors	(150,572)	(2,063,126)	(32,219)	(1,120,663)
(Decrease)/increase in trade and other creditors	(2,988)	(80,984)	(25,194)	(95,073)
Decrease/(increase) in stock	(1,420)	41	-	-
Net cash flow from operating activities	<u>191,512</u>	<u>229,366</u>	<u>2,412,037</u>	<u>(965,275)</u>
Cash flow from investing activities				
Dividend and interest income	31,878	23,179	31,878	23,179
Purchase of investments	(101,802)	(171,382)	(101,802)	(171,382)
Reclassification of investments from cash	(16,013)	-	(16,013)	
Proceeds from sale of investments	121,575	163,276	121,575	163,276
Return of capital from investment in participating interests	-	286,587	-	-
Purchase of tangible fixed assets	(1,083,781)	(96,277)	(1,083,781)	(96,277)
Proceeds of sale of tangible fixed assets	766,326	1,034,329	-	1,034,329
Net cash flow from investing activities	<u>(281,817)</u>	<u>1,239,712</u>	<u>(1,048,143)</u>	<u>953,125</u>
Cash flow from financing activities				
Repayment of borrowings	(108,279)	(55,116)	(98,279)	(52,616)
Interest paid	(22,341)	(12,494)	(21,280)	(12,132)
Net cash flow from financing activities	<u>(130,620)</u>	<u>(67,610)</u>	<u>(119,559)</u>	<u>(64,748)</u>
Net increase / (decrease) in cash and cash equivalents	<u>(220,925)</u>	<u>1,401,468</u>	<u>1,244,335</u>	<u>(76,898)</u>
Cash and cash equivalents at start of year	1,937,048	535,580	452,985	529,883
Cash and cash equivalents at end of year	<u>1,716,123</u>	<u>1,937,048</u>	<u>1,697,320</u>	<u>452,985</u>

The notes on pages 20 to 43 form part of these financial statements.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 2,956 members (2021 – circa 1,264).

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:

	2022 £	2021 £
Turnover	4,848,622	2,217,382
Expenditure	(2,541,989)	(1,142,524)
Net (losses) / gains on investments	(63,932)	93,723
Net movement in funds	2,242,701	1,168,581
Funds brought forward	4,651,851	3,483,270
Funds carried forward	6,894,552	4,651,851

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES (CONTINUED)

1.4. GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist and that there is a sufficient level of funds held at the year end. The trustees have also considered the forecast income and expenditure to 31st December 2024 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.

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.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 which 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.

A deed of covenant is in place between Norfolk Showground Limited and Royal Norfolk Agricultural Association, therefore the gift aid payment is accrued at the year end.

On the other hand, there is no such legal obligation between Norfolk Showground Developments Limited and Royal Norfolk Agricultural Association therefore the donation of profits is 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 2022

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	5% - 30% reducing balance

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 2022

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 2022

1 ACCOUNTING POLICIES (CONTINUED)

1.21. 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 2022 £	Unrestricted funds 2021 £
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)	80,000	20,000
Other grants & donations (each less than £5,000)	71,093	25,740
	<u>151,093</u>	<u>559,725</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Admissions	624,021	13,103
Trade stand fees	427,977	10,988
Membership subscriptions and guest badges	192,797	62,077
Sponsorship and prize money contributions	161,754	12,900
Car parking	30,596	-
Catering concessions	84,272	-
Entry fees	78,207	15,966
Other income	122,539	-
	<u>1,722,163</u>	<u>115,034</u>

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Land rental and lease income	212,451	166,680
Income from trading subsidiary for events	761,452	417,600
	<hr/>	<hr/>
	973,903	584,280

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:

	2022 £	2021 £
Turnover	761,452	417,600
Cost of sales and admin costs	(157,104)	(87,094)
Interest costs	(1,061)	(362)
Governance costs	(4,225)	(4,450)
Management and licence fees (eliminated on consolidation)	(404,773)	(229,107)
Other operating income	<hr/> 80,000	<hr/> 20,000
Net profit	274,289	116,587
Brought forward capital and reserves	1,399	1,399
Amount gift aided to association	(275,686)	(116,587)
	<hr/>	<hr/>
Retained in subsidiary	<hr/> 2	<hr/> 1,399

The assets and liabilities of the subsidiary were as follows:

	2022 £	2021 £
Current assets	194,185	275,043
Current liabilities	(166,683)	(236,144)
Liabilities falling due after more than one year	<hr/> (27,500)	<hr/> (37,500)
Total net assets	<hr/> 2	<hr/> 1,399

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. INVESTMENT INCOME

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Dividend income	26,289	23,113
Bank interest receivable	5,589	66
	<hr/>	<hr/>
	31,878	23,179
	<hr/>	<hr/>

6. OTHER INCOME

	Unrestricted funds 2022 £	Unrestricted funds 2021 £	Unrestricted designated funds 2021 £
Coronavirus Job Retention Scheme	-	39,257	-
Sundry income	7,966	9,517	-
Gain on sale of land	-	-	978,296
Income from participating interests	-	-	2,122,612
	<hr/>	<hr/>	<hr/>
	7,966	48,774	3,100,908
	<hr/>	<hr/>	<hr/>

There was no designated income in the year to 2022.

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.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. OTHER INCOME (CONTINUED)

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

	2022	2021
	£	£
Income from participating interests in joint venture	<u>-</u>	<u>2,122,612</u>
Net profit	-	2,122,612
Brought forward capital and reserves	2,122,613	1
Gift aided to parent	(2,122,612)	-
	<u>1</u>	<u>2,122,613</u>
Retained in subsidiary	<u>1</u>	<u>2,122,613</u>

The assets and liabilities of the subsidiary were as follows:

	2022	2021
	£	£
Current assets falling due after one year	-	156,690
Current assets falling due within one year	170,602	2,252,509
Current liabilities	<u>(170,601)</u>	<u>(286,586)</u>
Retained in subsidiary	<u>1</u>	<u>2,122,613</u>

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

2022	Direct costs	Support costs	Total 2022
	£	£	£
Show costs	908,432	-	908,432
Staff costs	235,084	352,626	587,710
Premises costs	395,816	-	395,816
Other costs	383,348	270,911	654,259
	<hr/>	<hr/>	<hr/>
	1,922,677	623,537	2,546,217
	<hr/>	<hr/>	<hr/>
 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
	<hr/>	<hr/>	<hr/>
	628,776	518,198	1,146,974
	<hr/>	<hr/>	<hr/>

All direct costs were unrestricted in this year and last. Within support costs, £3,082 (2021: £3,082) is restricted expenditure and £673,006 (2021: £515,116) is unrestricted.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. SUPPORT COSTS

2022	Unrestricted £	Restricted £	Total 2022 £
Wages and salaries	352,626	-	352,626
Professional fees	17,298	-	17,298
Insurance	9,628	-	9,628
Postage and telephone	9,727	-	9,727
Other office expenses	11,257	-	11,257
Bank loan interest	18,976	-	18,976
Member loan interest	1,785	-	1,785
Depreciation	175,515	3,082	178,597
<u>Governance costs</u>			
Audit and accountancy services	19,625	-	19,625
Trustees' insurance	1,488	-	1,488
Trustees' meeting expenses	2,530	-	2,530
	<hr/> 620,455	<hr/> 3,082	<hr/> 623,537
	<hr/>	<hr/>	<hr/>
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	-	6,465
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/> 515,116	<hr/> 3,082	<hr/> 518,198
	<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 2022**

9. STAFF COSTS

	Total 2022	Total 2021
	£	£
Wages	506,493	367,076
Redundancy payments	-	12,520
Social security	48,226	39,880
Pension costs	32,990	25,969
	<hr/>	<hr/>
	587,709	445,445

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

	2022	2021
Office administration	3	3
Shows and events	11	4
Showground maintenance	4	3
	<hr/>	<hr/>
	18	10

The number of higher paid employees was:

	2022	2021
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	<hr/>	<hr/>

The charity trustees were not paid or received any other benefits from the Association or its subsidiary in the year (2021 - £Nil) neither were they reimbursed expenses during the year (2021 - £Nil). No charity trustees received payment for professional or other services supplied to the charity (2021 - £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 £170,307 (2021: £164,858).

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 2022**

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging:

	2022	2021
Depreciation	193,077	164,946
Profit on sale of fixed assets	-	978,296
Auditor remuneration	16,700	11,150
- Audit		
- Other financial services	1,950	2,100
Operating lease rental costs	17,374	10,710
for plant and machinery		
Operating lease income	<u>212,451</u>	<u>118,516</u>

11. TANGIBLE FIXED ASSETS

Group and Charity:

	Freehold land	Buildings and improvements	Assets under Construction	Plant and machinery	Total
	£	£	£	£	£
Cost					
As at 1 January 2022	1,152,834	5,733,537	-	1,805,218	8,691,589
Additions	-	14,552	41,383	1,027,846	1,083,781
Disposals	-	-	-	-	-
As at 31 December 2022	<u>1,152,834</u>	<u>5,748,089</u>	<u>41,383</u>	<u>2,833,064</u>	<u>9,775,370</u>
Depreciation					
As at 1 January 2022	87,568	4,104,948	-	1,655,791	5,848,307
Charge for year	-	105,807	-	87,270	193,077
As at 31 December 2022	<u>87,568</u>	<u>4,210,755</u>	<u>-</u>	<u>1,743,061</u>	<u>6,041,384</u>
Net book value					
As at 31 December 2022	<u>1,065,266</u>	<u>1,537,334</u>	<u>41,383</u>	<u>1,090,003</u>	<u>3,733,986</u>
As at 31 December 2021	<u>1,065,266</u>	<u>1,628,589</u>	<u>-</u>	<u>149,427</u>	<u>2,843,282</u>

Net book value of plant and machinery held under hire purchase obligations is £16,791 (2021: £18,657)

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. INVESTMENTS

	Group		Charity	
	2022	2021	2022	2021
	£	£		
Listed investments	820,659	868,689	820,659	868,689
Subsidiary undertakings	-	-	3	3
	<hr/>	<hr/>	<hr/>	<hr/>
	820,659	868,689	820,662	868,692
	<hr/>	<hr/>	<hr/>	<hr/>

Listed securities

	2022	2021
	£	£
As at 1 January 2022	868,689	766,862
Additions	101,802	171,524
Disposals at market value	(121,575)	(160,204)
Unrealised gain/(loss) on revaluation	(44,270)	90,507
Cash balance reclassified from bank	16,013	-
	<hr/>	<hr/>
	820,659	868,689
	<hr/>	<hr/>

The historical cost of the investments at 31 December 2022 is £654,095 (2021: £651,655).

Listed securities comprise:

	2022	2021
	£	£
UK Government stocks	60,755	63,177
Cash	16,013	-
UK listed equities	743,891	805,512
	<hr/>	<hr/>
	820,659	868,689
	<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 2022**

12. INVESTMENTS (continued)

Investment in associated undertakings

In 2021, the Group's investment in associated undertakings above represented a 24.72% 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 was included within the financial statements to 31 December 2021 and the remaining amount due to the Group of £170,602 (2021: £936,898) is included within debtors. The accounting reference date of the LLP is 31 July 2021.

At 31 December 2022 the company had loaned £170,601 (2021: £286,587) to Norfolk Showground Developments Ltd.

13. DEBTORS

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Debtors due within one year				
Trade debtors	57,979	69,574	20,287	28,709
Amounts owed from group undertakings	-	-	170,601	286,587
Prepayments and accrued income	292,133	176,338	247,912	166,070
Other debtors	832,090	785,721	699,205	14,784
Debtors due in greater than one year				
Other debtors	441,169	1,207,495	441,169	1,050,805
	<u>1,623,371</u>	<u>2,239,128</u>	<u>1,579,174</u>	<u>1,546,955</u>

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	101,406	102,362	91,406	92,362
Obligations under hire purchase	7,348	6,886	7,348	6,886
Trade creditors	140,681	79,024	136,119	71,824
Accruals and deferred income	234,306	218,130	123,051	79,134
Social security and other taxes	13,267	29,585	13,267	12,062
Amounts owed to group	-	-	91,308	211,406
Other creditors	73,425	137,938	70,276	84,789
	<hr/>	<hr/>	<hr/>	<hr/>
	570,433	573,925	532,775	558,463
	<hr/>	<hr/>	<hr/>	<hr/>

Deferred income comprises income received in advance relating to membership, rent and show income planned for January 2023 onwards.

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Balance brought forward	181,223	147,203	51,223	7,024
Amount released during the year	(181,223)	(402,139)	(51,223)	(79,186)
Amount deferred in the year	139,999	436,159	41,906	123,385
	<hr/>	<hr/>	<hr/>	<hr/>
Balance carried forward	139,999	181,223	41,906	51,223
	<hr/>	<hr/>	<hr/>	<hr/>

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans due between 2 and 5 years	361,933	411,879	334,433	374,379
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	-	7,348
Bank loans due after more than 5 years	7,032	57,523	7,032	57,523
	<hr/>	<hr/>	<hr/>	<hr/>
	431,315	539,100	403,815	501,600
	<hr/>	<hr/>	<hr/>	<hr/>

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 (2021: £10,850) are interest free and £51,500 (2021: £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).

	2022	2021
	£	£
Loans payable falling due within 1 year	101,406	102,362
Loans payable falling due in more than 1 year but less than 5 years	361,933	411,879
Loans payable falling due after 5 years	7,032	57,523
	<u>470,371</u>	<u>571,764</u>

The market risk facing the Association is that it is expected that interest rates will continue to rise due to the effects of the cost of living crisis and other external factors.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

	2022	2021
	£	£
Not later than one year	7,348	6,886
Later than one and not later than five years	<u>-</u>	<u>7,348</u>
	<u>7,348</u>	<u>14,234</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.

18. UNRESTRICTED DESIGNATED FUND

2022	Opening balance	Income	Expenditure	Transfers between funds	Closing balance
	£	£	£	£	£
Infrastructure investment fund	3,100,908	-	-	(987,237)	2,113,671
Opportunities fund	<u>-</u>	<u>66,621</u>	<u>(55,636)</u>	<u>-</u>	<u>10,985</u>
	<u>3,100,908</u>	<u>66,621</u>	<u>(55,636)</u>	<u>(987,237)</u>	<u>2,124,656</u>
2021					
Infrastructure investment fund	<u>-</u>	<u>3,100,908</u>	<u>-</u>	<u>-</u>	<u>3,100,908</u>
	<u>-</u>	<u>3,100,908</u>	<u>-</u>	<u>-</u>	<u>3,100,908</u>

The unrestricted designated infrastructure investment fund was created following the disposal of land to Persimmon Homes Ltd in 2021 and consists of the gain on sale of land of £978,296 plus income from participating interests received in 2021 in Norfolk Showground Developments Limited of £2,122,612. The transfer of £987,237 to the general fund relates to infrastructure projects completed during the year.

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. RESTRICTED FIXED ASSET FUND

2022	Opening balance £	Income £	Expenditure £	Closing balance £
Norfolk Showground Arena Project	46,229	-	(3,082)	43,147
Norfolk Agricultural Association Norwich Plate	1,420	-	-	1,420
	<u>47,649</u>	<u>-</u>	<u>(3,082)</u>	<u>44,567</u>
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
	<u>50,731</u>	<u>-</u>	<u>(3,082)</u>	<u>47,649</u>

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

2022	Unrestricted general fund £	Unrestricted designated £	Restricted fixed asset £	Total £
Fixed assets	4,510,078	-	44,567	4,554,645
Cash at bank and hand	787,724	928,399	-	1,716,123
Debtors due in more than one year	-	441,169	-	441,169
Other assets/liabilities	(141,158)	755,088	-	613,930
Creditors more than one year	(431,315)	-	-	(431,315)
	<u>4,725,329</u>	<u>2,124,656</u>	<u>44,567</u>	<u>6,894,552</u>
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 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>

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. OPERATING LEASE COMMITMENTS

At 31 December 2022, the group had future minimum lease payments under non-cancellable operating leases for plant and machinery as follows:

	2022	2021
	£	£
Within one year	15,591	10,710
Between 2 and 5 years	26,669	15,159
Over 5 years	<u>2,250</u>	<u>-</u>

At 31 December 2022, the group had future minimum lease receipts under non-cancellable operating leases for land as follows:

	2022	2021
	£	£
Within one year	126,266	118,516
Between 2 and 5 years	453,208	456,064
More than five years	<u>1,251,964</u>	<u>1,344,623</u>

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

22. NET DEBT

Analysis of group net debt

	At start of year	Cashflows	At end of year
	£	£	£
Cash	1,937,048	(220,925)	1,716,123
Loans falling due within one year	(102,362)	956	(101,406)
Loans falling due after more than one year	(531,752)	100,437	(431,315)
Finance lease obligations	<u>(14,234)</u>	<u>6,886</u>	<u>(7,348)</u>
	<u>1,288,700</u>	<u>(112,646)</u>	<u>1,176,054</u>

Analysis of company net debt

	At start of year	Cashflows	At end of year
	£	£	£
Cash	452,985	1,244,335	1,697,320
Loans falling due within one year	(92,362)	956	(91,406)
Loans falling due after more than one year	(494,252)	90,437	(403,815)
Finance lease obligations	<u>(14,234)</u>	<u>6,886</u>	<u>(7,348)</u>
	<u>(147,863)</u>	<u>1,342,614</u>	<u>1,194,751</u>

ROYAL NORFOLK AGRICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

23. CAPITAL COMMITMENTS

The Association had capital commitments authorised and contracted as at 31 December 2022 of £50,325 in relation to a new financial and events management software (2021: £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 £32,990 (2021: £25,969).

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.

Food and Farming Discovery Trust (FFDT) is a related party as Dr C M Richards (Trustee) and M A Nicholas MBE DL (Managing Director of RNAA) are Trustees of FFDT. During the year the Association recharged to FFDT expenses totalling £8,962 (2021: £Nil) and its subsidiary charged FFDT a trade stand fee for the Norfolk Farming Conference of £350 (2021: £Nil). The Association made a grant to FFDT in the year to 2022 (2021: 2 grants) of £15,000 relating to staffing support. During the year the Association commissioned activity from FFDT amounting to £6,000 (2021: £Nil). At 31st December 2022 the Association owed FFDT a balance of £65,405 (2021: £43,708) and is included within Other Creditors of the Association. At 31st December 2022 a cash balance was held on behalf of FFDT of £65,405 (2021: £43,708).

RNAA also acted as an agent on behalf of FFDT during the financial year, with income being received totalling £76,592 (2021: £64,677) and expenditure being incurred totalling £54,895 (2021: £43,391), through a designated bank account. At 31st December 2022 the cash balance was held on behalf of FFDT of £65,405 (2021: £43,708).

Langley School (1960) Limited is a related party as M A Nicholas MBE DL (Managing Director of RNAA), is the Chair of the School. During the year the Association received trade stand, admissions and sponsorship income, relating to the Royal Norfolk Show, from the School of £4,673 (2021: £Nil). During the year the Association hired a minibus from the School amounting to £251 (2021: £Nil). No balance is outstanding with Langley School at the year end (2021: £Nil).

Crown House Flowers is a related party as M A Nicholas MBE DL (Managing Director of RNAA), is a close family member of the controlling party of Crown House Flowers. During the year purchases were made from Crown House Flowers of £113 (2021: £Nil). No balance is outstanding with Crown House Flowers at the year end (2021: £Nil).

No other related party transactions have occurred in the financial year (2021: £Nil).

25. 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 2022, the Group had a debtor relating to VAT of £37,497 (2021: creditor £17,522).