

Registered Charity Number: 511868
Company number: 01568571

**Three Counties Agricultural Society
(a company limited by guarantee)**

Annual Report and Financial Statements

For the year ended 30 November 2020

THREE COUNTIES AGRICULTURAL SOCIETY
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020

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THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 NOVEMBER 2020

THE BOARD

The Board of Trustees (who are the trustees of the Society for the purposes of charity law and the directors of the company for the purposes of company law) of the Three Counties Agricultural Society ("the Society") present their annual report for the year ended 30 November 2020 prepared in accordance with section 415A of the Companies Act 2006 relating to small entities, and the Charities Act 2011, together with the audited financial statements for that year.

REFERENCE AND ADMINISTRATIVE DETAILS

The Three Counties Agricultural Society is a registered Charity (No. 511868) and a company (No. 01568571) limited by membership guarantee. Its principal address and registered office is shown on page 10.

The members of the Board of Trustees, which includes the present trustees, and any past trustees who served during the year, are given on page 10, together with the name of the Chief Executive. The President and Vice-Presidents and external advisers of the Society are as set out on pages 10 to 12.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

Key Management Personnel for the Society are outlined on page 11. Remuneration is set by the Remuneration Committee, which is appointed by the Board of Trustees. The Remuneration Committee meets annually and includes the Chairman of the Board of Trustees, Chairman of Council and a County Director. Its role is to approve staff bonuses and remuneration for the forthcoming year, with the objective of encouraging enhanced performance and rewarding fairly and responsibly individual contributions to the charity's success.

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

RISK AND AUDIT REVIEW COMMITTEE

The Risk and Audit Review Committee is a committee of the Council whose purpose is to advise the Board on risk management and internal control and act as an independent review mechanism for the preparation and audit of the annual financial statements. The committee is formed of four individuals, at least two of whom shall be Council members and all of whom will be independent of the Board of Trustees. One of these shall be Chairman of the committee.

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

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

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

CHIEF EXECUTIVE

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

GROUP STRUCTURE

The Society has a wholly owned subsidiary, T.C.A. Trading Limited. The subsidiary carries out trading activities to raise funds for donating to the Society under Gift Aid, and during the financial year made an operating profit of £5k (2019: £409k) all of which has been covenanted to the Society.

STATEMENT OF TRUSTEES' RESPONSIBILITIES AND CORPORATE GOVERNANCE

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company/group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2020

CORPORATE GOVERNANCE

During the previous year Three Counties Agricultural Society was subject to a review by Crowe U.K. of its governance structure, the findings of which are in the process of being deliberated by Council. Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the executive management and the Board.

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

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

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE SOCIETY

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

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

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

Each year the Society sets objectives which not only address the strategic objectives contained in the Memorandum but include tactical and operational objectives. The objectives for 2020, the Society's achievements against those objectives and the objectives for 2021 are discussed under the heading of Achievements and Performance, set out below.

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

PUBLIC BENEFIT

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

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

GRANT-MAKING

The RHS Malvern Joint Show Committee makes annual grant awards to show garden designers which are a key feature of the RHS Malvern Spring Festival. The show gardens promote horticulture and arboriculture and themes in recent years have been linked to conservation. The Society also awards educational bursaries in accordance with its charitable objectives.

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

Decisions regarding grant awards and bursaries are made in advance but are not communicated or committed until the financial period they relate to and payments are only made when achievements and performance targets are met.

ACHIEVEMENTS AND PERFORMANCE

In normal years, the Society's objectives are directly linked to its three most major agricultural and horticultural shows - RHS Malvern Spring Festival, The Royal Three Counties Show and Malvern Autumn Show. These shows plus smaller events such as CountryTastic and the Three Counties Farming Conference inform and educate visitors which has been a long-standing objective of the Society.

This year has been a very different, and a difficult year for the Society due to the impact of Covid-19. Our usual shows were cancelled, and the Society had to find new ways of achieving its objectives by delivering smaller events within Government guidelines, and innovative new ways to reach the public such as virtual shows. If there is one positive that we can draw from the challenges we faced in 2020, it is that the appetite of visitors to engage with what we deliver remains strong and loyal.

The specific objectives which the Society sets itself for the year are shown below along with an assessment of performance against those objectives:

OBJECTIVES FOR 2020

- 1. Stage high quality shows to deliver the Society's charitable objectives whilst promoting British agriculture, horticulture and the rural economy and fulfilling stakeholders' expectations.**

The national 'lockdown' and later restrictions on staging major visitor events caused by Covid-19 resulted in the Society's annual shows being cancelled. Later in the year, with restrictions partially lifted, the Society staged a one-day food fair, two-day plant and garden fair, a canine event and an equine event to deliver its objectives. These events were all restricted to under 5,000 visitors and maintained adequate spacing, following all Government guidelines.

- 2. Maintain the reputation and profile of the Royal Three Counties Show as one of the best agricultural shows in the UK.**

Covid-19 prevented staging of the Royal Three Counties Show. The only other time the show has been cancelled in the Society's history was in 2001 due to the foot and mouth epidemic which affected livestock. Not to be defeated in 2020 a 'virtual' Royal Three Counties Show was staged. We could not have foreseen the popularity this would have, drawing 39,000 visitors from 86 countries to the event over three days. Guests and Society supporters provided content and tributes, including HRH The Princess Royal, Patron of Royal Three Counties Show.

- 3. Improve the standard of the showground through planned maintenance and capital development programmes.**

With the absence of shows being staged, and a reduced workforce due to essential furlough periods the standard of the showground was maintained when staff were available. The substantial level of projects and improvements to infrastructure carried out in previous years has paid dividends to the overall quality of the showground. Capital projects were reduced this year with maintenance prioritised, these included the completion of a building at our largest entrance which includes greater space for visitor lines, perimeter fencing replacement and the creation of hand sanitization stations for deployment around the grounds during events. Grant funds from the local authority distributed under Covid-19 guidelines were put to important use in altering our facilities for visitors with the addition of exit doors and screening facilitating one-way systems.

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

4. Secure the Society's longevity by progressing new business opportunities.

The Society's most major project, Langdale Wood Lodges Park was placed on hold in March, re-starting in September 2020. New business opportunities therefore took the form of creative events such as the staging of socially spaced, outdoor music concerts. Some of our regular hirers were able to stage altered events with much reduced attendance and use of only outside space. For others cancellation or postponement were their only options. We have worked closely with hirers providing special assistance in matters such as space planning, risk assessments and track and trace.

5. Run an education programme in line with the 'Objects' of the Society.

Cancellation of the Society's main shows has removed the most prominent platform of education programmes this year. This has raised the importance of our bursary scheme and the importance of the Society's support for students of agriculture. Opportunities will be extended soon, with the introduction of a further bursary for agricultural students following a generous legacy to the Society, details will be available in spring 2021.

On 23rd January the Society held its annual Careers Fair, welcoming over 1,000 school and home educated students from our three counties. Incorporating 45 stands which demonstrated careers in industries such as agriculture, horticulture, technology, healthcare and hospitality. There were also a range of universities, colleges and training providers promoting courses, apprenticeships and other training opportunities available in the local area. The Society provided a quantity of travel bursaries which enabled schools to bring as many students as possible to take part in the experience. The event has grown in popularity and we hope to expand the offering in 2021. The suggested plan is to work with local LEPs to offer workshops on CV writing and interview techniques.

6. Protect the Society's reputation by mitigating against potential risks.

The Society's Risk and Audit Review Committee considers risks and makes recommendation to the Board of Trustees on how to mitigate against them. Covid-19 was not the only major risk considered by this Committee during 2020. In January the Chief Executive who was being treated for lymphoma was unable to continue working. An Interim Chief Executive of pedigree was recruited out of retirement and successfully steered the Society for the next eight months when the Chief Executive returned to his post.

7. Retain a quality staffing compliment, through ongoing training and with continual succession planning for the future.

During this difficult period the Society has retained the majority of staff and strengthened commercial leadership through the recruitment of a talented Head of Commercial Services, replacing the outgoing Head of Department. The Government's Coronavirus Job Retention Scheme (CJRS) has prevented numerous redundancies, with just one negotiated departure and one non-replacement of a resignation.

8. Always ensure positive cash flow

Positive cashflow was maintained throughout the year. For 2020 net cash from operating activities was £190k (2019 was £159k) and EBITDA (earnings before interest, tax, depreciation and amortisation) was (£805k) (2019 was £1,156k). The Society's cash reserves have been supplemented by the addition of a £1m Coronavirus Business Interruption Loan (CBILS).

9. Develop good relationships with local communities and stakeholders.

A good flow of information promoted through the Society's improved website continues to maintain good relations with stakeholders and particularly neighbours who are always interested in the activities of the Society. We have a good relationship with our local regulatory body, Worcestershire Regulatory Services, who have assisted immensely with guidance and advice on events staged during this challenging year. Their input has been highly regarded by both our own staff and those hiring the showground.

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

10. Continue to promote the Three Counties Showground to third parties for staging events.

Very few third-party hired events were staged during 2020 due to Covid-19, however, long established relationships were maintained through joint efforts to reduce the financial impact to hirers. As mentioned in point 4, some innovative outdoor events were added to the calendar in the way of music events, proving that there is enthusiasm for our facilities, where open space is at a premium. A full calendar of third-party events is anticipated for 2021.

11. Expand the Society's knowledge and good practices relating to the environment and sustainability.

Improving sustainability is at the forefront of the Society's ambitions. Whilst financial restrictions prevented major initiatives during this year many 'quick win' procedures have been established including the appointment of a waste contractor with recycling capabilities and insisting service providers follow sustainable activities to remove the use of plastics and reduce fuel consumption.

OBJECTIVES FOR 2021

The objectives for 2021, together with the strategies to achieve those objectives, are set out below:

1. Secure the future of Three Counties Agricultural Society by mitigating against potential risk;
2. Always ensure positive cash flow;
3. Stage high quality, profitable shows which deliver the Society's charitable objectives whilst promoting British agriculture, horticulture, equine and the rural economy;
4. Re-model the Royal Three Counties Show to create a pure livestock and equine show of high quality which maintains the reputation of the Three Counties Agricultural Society;
5. Progress new business opportunities and promote the showground as a venue for hire;
6. In line with the 'Objects' of the Society run an education and bursary programme of which the Society can be proud;
7. Maintain the appearance and standard of the showground through a planned maintenance programme;
8. Retain a quality staffing compliment capable of delivering activities to a high standard;
9. Develop good relationships with all stakeholders;
10. Expand the Society's knowledge and good practices relating to the environment and sustainability.

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

STRATEGIES FOR ACHIEVING OBJECTIVES

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

- A. The Society's shows provide best practice in agriculture, horticulture, equestrianism, the countryside, and the rural economy and provide the platform for achieving our charitable objectives;
- B. Commercial opportunities will be realised through attendance at shows, sponsorship, venue hire, membership, and other related income streams;
- C. An effective Education Strategy lead by the Education Committee will focus our delivery of agricultural and horticulturally based education programmes;
- D. A focus on maintaining showground standards will be achieved using agreed maintenance and capital development budgets;
- E. Communications with stakeholders, including the local community will continue through an effective flow of information and engagement;
- F. Staff are key to delivering the Society's objectives. Good practice regarding the recruitment, training, communication, and management of staff will maintain a motivated team.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Traditionally the main source of funding for the Society is ticket income from agricultural and horticultural shows. Due to the ongoing Covid-19 pandemic all three of the Society's main shows were cancelled in 2020 and all advance tickets were either refunded in full or transferred to the following year's equivalent event dates. During the year some small shows were able to generate modest ticket income totalling £115k (2019: £2,208k) making up 7.6% (2019: 32%) of total income. During 2020 the main source of funding was Government grant funding received under the Coronavirus Job Retention scheme and other Discretionary Grant awards. The total Government funding received in the year was £457k (2019: zero).

The Statement of Financial Activities (SoFA), set out on page 16, shows that total incoming resources was reduced by 74% to £1,523k. Expenditure on charitable activities reduced by 57% to £2,059k whilst total resources expended amounted to £2,668k (2019: £5,986k) resulting in a net loss for the year before gains/(losses) on investments of £1,145k (2019: Surplus £838k). This resulted in total funds carried forward decreasing by £1,143k to £4,863k (2019: increasing by £923k to £6,006k).

T.C.A. Trading Limited

The wholly-owned trading subsidiary experienced a restricted year, both in terms of dates when the showground could open and size of events which were able to be held safely. Inevitably with almost five months of the calendar unavailable due to a national lockdown there were fewer events in total compared to preceding years.

During 2020, revenue for the company decreased by 74% to £353k. (2019: £1,373k). The company undertakes the trading activities of the Society and generated a profit of £5k which has been donated to the Society under the provisions of Gift Aid (2019: £409k).

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

FINANCIAL MANAGEMENT POLICIES

Key Risks and Reserves Policy

Each year the Board considers the Society's exposure to major risks in terms of their likely impact on its income sources and planned expenditure in the short term.

The Coronavirus (Covid-19) Pandemic and lockdown announced in March 2020 resulted in the cancellation of the majority of the Society's 2020 Shows along with several months of Venue Hire events. Whilst this ongoing situation severely impacted the Society's activities and its ability to generate funds, it also reduced the Society's carried forward reserves. The Society continues to mitigate its losses by taking full advantage of available Government support schemes such as the Government's Job Retention Scheme, Coronavirus Business Interruption Loan Scheme, Local Authority Discretionary Grant Fund Scheme, Business Rates Relief and reduced VAT rates for the leisure and hospitality sector. The Society intends to run another online Virtual RHS Malvern Spring Festival for 2021 in order to maintain its profile and to support the traders, exhibitors and contributors who will be key to the success of future shows. The Society's virtual shows have enabled it to continue to deliver its Charitable Objectives during a period when the country continues to be severely restricted by the National Lockdown and economic activity is significantly reduced.

The Society implemented a Strategic Pathway during 2020 which continues to be relevant in the post year end period:

- 1) To stabilise the cost base going forward in readiness for when the HMRC JRS scheme funding ends on 30th September 2021. The Society will continually consider all options relating to staff, external advisors, contractor contracts and general overheads;
- 2) To identify new events that can profitably be held on site whilst still complying with relevant Covid-19 guidelines;
- 3) To plan for 2021 events with the expectation that visitor numbers and total income could be lower than in previous years; and
- 4) To continue to progress the Langdale Woods project as a significant new source of all year-round income.

As a matter of policy, the trustees review the value of the reserves retained in the form of investments. The trustees believe the Society should continue to hold in the investment portfolio sufficient funds to allow the Society to be run efficiently, to provide a buffer against the short notice cancellation of a major show, to fund fixed capital renewals and maintenance to the Showground and to provide between six and twelve months' resource expended on administration and governance costs of the Society.

Following the impacts of Covid-19, total free reserves have fallen below those required to operate within the outlined policy. Total reserves at the year-end were £4,863k (2019: £6,006k). Of these, £1,102k were restricted at the year-end (2019: £826k). This is disclosed in note 19. Unrestricted reserves include amounts that could only be realised by disposing of fixed assets totalling £3,434k, therefore free reserves at the yearend total £327k (2019: £2,264k).

Investment Policy and performance

The Society's investments were valued at £1,226k at the start of the financial year. The investment portfolio continues to be managed with a cautious to medium risk profile. As at the balance sheet date, the portfolio is now valued at £1,242k. The trustees remain satisfied that this remains an appropriate vehicle for the Society. Through careful management the Society has been able to stabilise its costs during the Covid-19 Pandemic without needing to sell any of its investments.

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

Going Concern

In light of the Covid-19 situation, the trustees believe that the Charity's financial resources and contingency planning is sufficient to ensure the ability of the Charity to continue as a going concern for the foreseeable future and therefore the financial statements have been prepared on this basis. This also applies to the trading subsidiary, T.C.A Trading Limited.

HEALTH AND SAFETY

In the pursuit of excellence in all its activities the Society is committed to the promotion and implementation of health and safety measures to minimise both work-related accidents and ill health. The safety of visitors, staff, volunteers and the contractors who visit the showground is of primary importance and it is the responsibility of the Chief Executive to ensure that all operations are carried out in accordance with health, safety and environmental legislation and standards to which the Society subscribes. Accountability for health and safety matters follows the acknowledged line management chain of authority to the manager or individuals specifically tasked and trained to exercise control.

EMPLOYEES

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

PENSIONS

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

RELATED PARTY TRANSACTIONS

The related party transactions are included in note 16 to these financial statements.

FUNDRAISING

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act.

DIRECTOR'S INDEMNITY INSURANCE

The Society has in place an annual Management Liability Insurance policy to indemnify directors or officers against any claim first made against them to a limit of £500,000 for any wrongful act covered by the policy in their capacity as a director, officer or employee of the charity.

The premium for the year was £1008 including tax (2019: £960).

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

REFERENCE AND ADMINISTRATIVE INFORMATION:

PRINCIPAL ADDRESS AND REGISTERED OFFICE

The Showground
Malvern
Worcestershire
WR13 6NW

SECRETARY

Ken Nottage

PRESIDENT

The Rt Rev Rachel Treweek, Bishop of Gloucester (until 30 November 2020)

VICE PRESIDENTS

Roger Head OBE DL (until 30 November 2020)
John Harper
Graham Watkins

CHIEF EXECUTIVE

Ken Nottage

MEMBERS OF THE BOARD OF TRUSTEES

Chris Bailey (Chairman until 20 August 2020)
Patrick Downes (Chairman from 15 September 2020; County Director)
Lindsey Craddock (County Director)
Peter Dowle
James Hawkins
Roger Head OBE DL
Adrian Hope (County Director)
Cate Morris (until 27 December 2020)
David Owens
Prof. Joanna Price (from 15 May 2020 until 10 December 2020)
Clive Roads
David Smart
Michael Warner (until 30 November 2020)

RISK AND AUDIT REVIEW COMMITTEE

Ruth Goodman
Chris Lloyd
Mark Tufnell (Chairman)
Mary Wathen

MEMBERS OF COUNCIL

Penelope Bossom
Philip Burford
Penny Corbett
Lindsey Craddock
Clive Davies
Peter Dowle
Patrick Downes
Ruth Goodman
Robert Grinnall
Laura Hamilton
Francis Harcombe
John Harper
Maurice Hart
James Hawkins
Dene Hazelwood

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

MEMBERS OF COUNCIL (Continued)

Roger Head OBE DL

Adrian Hope

Richard Lutwyche

Glyn Morgan MBE

Cate Morris

David Owens

Roger Phillips

Tania Phillips

Andrew Powers

Prof. Joanna Price

Bill Quan

Clive Roads

(Chairman)

Henry Robinson

Peter Rose

Helen Smalley

David Smart

Kate Speke-Adams

Mark Tufnell

Mary Wathen

Graham Watkins

Dermot Weaver

Michael Weaver

Paul Westaway

KEY MANAGEMENT PERSONNEL

Paul Butler – Head of Ticketing and Business Systems

Chris Eldridge – Head of New Business Development (from 6 April 2020)

David Fenwick – Head of Finance

Suzy Hillier – Head of Commercial (until 6 March 2020)

Ken Nottage – Chief Executive

Stephen Rennie – Acting Chief Executive (from 6 January 2020 until 20 August 2020)

Di Walton – Head of Shows

John Wilesmith – Head of Operations

THREE COUNTIES AGRICULTURAL SOCIETY

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

PRINCIPAL PROFESSIONAL ADVISERS

Independent Auditor

Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House
St James' Square
Cheltenham
GL50 3PR

Principal Bankers

National Westminster Bank plc
1 The Cross
Worcester
WR1 3PR

Solicitors

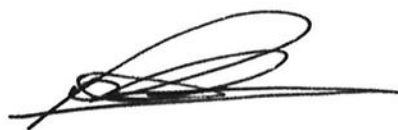
Harrison Clark Rickerbys
Ellenborough House
Wellington Street
Cheltenham
Gloucestershire
GL50 1YD

Investment Managers

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

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

This report was approved by the Board on 25th June 2021 and signed on their behalf.



P S Downes

Chairman

THREE COUNTIES AGRICULTURAL SOCIETY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THREE COUNTIES AGRICULTURAL SOCIETY FOR THE YEAR ENDED 30 NOVEMBER 2020

Independent Auditor's Report to the Members and Trustees of Three Counties Agricultural Society

Opinion

We have audited the financial statements of Three Counties Agricultural Society for the year ended 30 November 2020 which comprise the consolidated Statement of Financial Activities, the charity and consolidated Balance Sheets, the consolidated Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 November 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

THREE COUNTIES AGRICULTURAL SOCIETY
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THREE COUNTIES
AGRICULTURAL SOCIETY (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2020

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees Annual Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees (who are also the directors of the 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's or the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

THREE COUNTIES AGRICULTURAL SOCIETY
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THREE COUNTIES
AGRICULTURAL SOCIETY (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2020

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our 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, and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP

Statutory Auditor
4th Floor, St James House
St James' Square
Cheltenham
GL50 3PR

Date 7 July 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THREE COUNTIES AGRICULTURAL SOCIETY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 30 NOVEMBER 2020

		Unrestricted Funds £000	Restricted Funds £000	Total Funds 2020 £000	Total Funds 2019 £000
	Note				
INCOME FROM					
Donations and Legacies	3	2	318	320	830
Charitable activities					
Agricultural and horticultural shows	4	293	-	293	4,290
Other Income	5	457	-	457	-
Other trading activities					
Fundraising events		76	-	76	299
Trading subsidiary income	6	353	-	353	1,373
Investments	7	24	-	24	32
Total		1,205	318	1,523	6,824
EXPENDITURE ON					
Charitable activities					
Agricultural and horticultural shows	9A	2,017	-	2,017	4,724
Educational Bursaries	9B	-	42	42	20
Other					
Fundraising events	9B	253	-	253	271
Trading subsidiary expenditure	9B	349	-	349	964
Investment management costs	9B	7	-	7	7
Total		2,626	42	2,668	5,986
Net gains / (losses) on investments		2	-	2	85
Net income / (loss)		(1,419)	276	(1,143)	923
RECONCILIATION OF FUNDS					
Total funds brought forward at 1 December 2019	19	5,180	826	6,006	5,083
TOTAL FUNDS CARRIED FORWARD AT 30 NOVEMBER 2020	19	3,761	1,102	4,863	6,006

All amounts relate to continuing operations. The notes on pages 19 to 35 form part of these financial statements.

**THREE COUNTIES AGRICULTURAL SOCIETY
CHARITY AND CONSOLIDATED BALANCE SHEETS
AS AT 30 NOVEMBER 2020
COMPANY NUMBER: 01568571**

		GROUP		CHARITY	
	Notes	2020	2019	2020	2019
		£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	12	3,426	2,897	3,426	2,897
Intangible assets	13	8	19	8	19
Investments	14	1,242	1,226	1,242	1,226
		<u>4,676</u>	<u>4,142</u>	<u>4,676</u>	<u>4,142</u>
CURRENT ASSETS					
Debtors	15	380	1,255	366	1,238
Cash at bank and in hand		2,229	1,259	2,206	1,252
		<u>2,609</u>	<u>2,514</u>	<u>2,572</u>	<u>2,490</u>
CREDITORS: Amounts falling due within one year	16	(854)	(650)	(819)	(628)
NET CURRENT ASSETS		<u>1,755</u>	<u>1,864</u>	<u>1,753</u>	<u>1,862</u>
LONG TERM LIABILITIES					
Bank Loans	18	(1,568)	-	(1,568)	-
NET ASSETS		<u>4,863</u>	<u>6,006</u>	<u>4,861</u>	<u>6,004</u>
FUNDS					
Restricted funds	19	1,102	826	1,102	826
Unrestricted funds	19	3,761	5,180	3,759	5,178
TOTAL FUNDS		<u>4,863</u>	<u>6,006</u>	<u>4,861</u>	<u>6,004</u>

The Charity's net outgoing resources for the period were £1,143k (2019: Incoming resources of £923k).

The Financial Statements are prepared in accordance with the special provisions of part 15 of the Companies Act relating to small companies.

Approved and authorised for issue by the trustees on 25th June 2021 and signed on their behalf by



P S Downes
Chairman

The notes on pages 19 to 34 form part of these financial statements.

**THREE COUNTIES AGRICULTURAL SOCIETY
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2020**

	Note	2020 £000	2019 £000
Net cash inflow from operations			
Net cash provided by operating activities	i	190	159
Cash flows from investing activities			
Dividends and interest from investments		24	32
Purchase of property, plant and equipment		(881)	(443)
Purchase of intangible assets		-	(7)
Cash transferred from investment account		188	(198)
Proceeds from sale of investments		78	314
Purchase of investments		(280)	(136)
Net cash (used in) investing activities		(871)	(438)
Cash flows from financing activities			
Borrowing from bank		1662	-
Interest paid		(11)	-
Net cash provided by financing activities		1651	-
Change in cash and cash equivalents in the reporting period		970	(279)
Cash and cash equivalents at 1 December 2019		1,259	1,538
Cash and cash equivalents at 30 November 2020	ii	2,229	1,259
i) Reconciliation of net income to net cash flow from operating activities:			
		2020 £000	2019 £000
Net incoming resources		(1,143)	923
Adjustments for:			
Interest paid		11	-
Depreciation charge		347	339
Amortisation charge		11	11
(Gains) / losses on investments		(2)	(85)
Disposal of fixed assets		5	8
Dividends and interest from investments		(24)	(32)
(Increase) / decrease in debtors		875	(814)
(Decrease) / increase in creditors		110	(191)
		190	159
ii) Analysis of cash and cash equivalents:			
		2020 £000	2019 £000
Cash at bank		2,229	1,259
Deposits		-	-
		2,229	1,259

**THREE COUNTIES AGRICULTURAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

1. CHARITY INFORMATION

Three Counties Agricultural Society ('the Society') is a registered charity with the Charities Commission England and Wales (charity number: 511868) and is incorporated as a company limited by guarantee (company number: 01568571, England and Wales). The address of its principal and registered office is The Showground, Malvern, Worcestershire, WR13 6NW.

2. STATEMENT OF ACCOUNTING POLICIES

a. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP 2015 (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been prepared under the historical cost convention.

Three Counties Agricultural Society meets the definition of a public benefit entity under FRS 102.

The functional currency of the Society is considered to be GBP because that is the currency of the primary economic environment in which the Charity operates.

b. Consolidated Financial Statements

These financial statements consolidate the Society and its subsidiary undertaking, T.C.A. Trading Limited. No separate SOFA has been presented for the Society alone, as permitted by Section 408 of the Companies Act 2006. Net income attributable to the Charity totalled £353k for the year (2019: £923k). The Society has also taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

c. Going Concern

The trustees have undertaken detailed planning and forecasting and continue to closely monitor the developing situation with regards to Covid-19. Please refer to page eight of our Trustees Report where we have reflected on the current situation and have outlined the impact for the Charity. Despite the current circumstances the trustees believe that the Charity's financial resources and contingency planning is sufficient to ensure the ability of the Charity to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

d. Funds Structure

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

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

e. Incoming Resources

All incoming resources are included in the Statement of Financial Activities ("SOFA") as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Society is considered probable.

Incoming resources from charitable activities comprises income from shows staged in accordance with the Society's charitable activities.

Income from fundraising events represents entry fees and services provided and sponsorships which relate to the current financial year.

Income from donations are recognised on receipt.

**THREE COUNTIES AGRICULTURAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

Income from legacies are recognised once the Society has entitlement, the amount is measurable, and the gift is probable.

Government grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

f. Resources Expended

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

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

Governance costs are included within support costs and comprise direct and indirect expenditure involved in ensuring that the Society complies with its charitable and statutory obligations.

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

g. Grants payable

Grant payments are recognised once there is an obligation to make a payment, the payment is probable, and the payment can be measured reliably. Grant commitments are communicated to the recipient in the period the award is payable and are subject to performance-related conditions being met.

h. Pension

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

i. Taxation

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

j. Tangible Fixed Assets and Depreciation

Fixed assets costing less than £500 are written off to the SOFA.

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

Permanent buildings	4% on cost
Property improvements	10% to 25% on cost
New wooden buildings	10% to 25% on cost
Plant and machinery	10% to 25% on cost
Motor vehicles	33% on cost
Office and show equipment	25% to 33% on cost

Assets in the course of construction are included at cost and are not depreciated until they are brought into use. Land is not depreciated.

k. Intangible Fixed Assets and Amortisation

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at the following annual rate in order to write off each asset over its estimated useful life and charged to the SOFA:

Company Website	25% on cost
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l. Investments

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

**THREE COUNTIES AGRICULTURAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

m. Creditors

Creditors are recognised on an accruals basis once there is a legal or constructive obligation that commits the Society to the obligation.

n. Debtors

Short term debtors are initially measured at transaction price, less any impairment. Prepayments are measured at the amount prepaid.

o. Financial Instruments

Three Counties Agricultural Society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Investments are held at fair value.

p. Termination payments

Termination payments are accounted for as soon as the charitable company is aware of the obligation to make the payment.

q. Operating leases

Rentals payable under operating leases are charged to the SOFA as incurred over the term of the lease.

r. Judgements in applying accounting policies and key sources of estimation of uncertainty

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

The items in the financial statements where these estimates and judgements have been made include the following:

i) Useful economic lives of tangible and intangible assets

The annual depreciation charges for the tangible assets and amortisation charges of intangible assets are sensitive to changes in the estimate useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets. See notes 9 and 10 for the carrying amount of the tangible and intangible assets and notes 2i and 2j for the useful lives for each class of asset.

ii) Impairment

Debtors – the Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors.

Fixed assets – property, plant and equipment are stated at historical cost less accumulated depreciation and any recognised impairment losses. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's value is impaired when the asset's carrying amount is greater than its estimated recoverable amount.

**THREE COUNTIES AGRICULTURAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

3. INCOME FROM DONATIONS & LEGACIES

	Unrestricted £000	Restricted £000	2020 £000	2019 £000
Donated Farm	-	308	308	820
Educational Bursaries	-	10	10	10
Other Donations	2	-	2	-
	<u>2</u>	<u>318</u>	<u>320</u>	<u>830</u>

During the year the Society sold its land and farm buildings at New House Farm with the profit added to restricted funds to be used to provide funding for bursaries for farming students to go to agricultural college.

During the year the Society received a donation of £10,000 (2019: £10,000) from an anonymous donor towards an educational bursary.

4. INCOME FROM CHARITABLE ACTIVITIES

	2020 £000	2019 £000
Show income	222	4,118
Membership income	-	82
Other income	71	90
	<u>293</u>	<u>4,290</u>

5. OTHER INCOME

	2020 £000	2019 £000
Government Grant funding	457	-
	<u>457</u>	<u>-</u>

**THREE COUNTIES AGRICULTURAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

6. SUBSIDIARY RESULTS

Three Counties Agricultural Society owns 100% of the share capital of T.C.A. Trading Limited (registered company no: 01638353), which was set up to carry out the trading activities of the group. The entity exists to undertake any non-primary purpose trading activity with any profits being donated back to the Charity under Gift Aid rules. These activities include income and expenditure relating to commercial sponsorship agreements and the renting out available showground space and facilities to third parties when these are not being used by the Charity's primary activities. Its registered address is The Showground, Malvern, Worcestershire, WR13 6NW.

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

PROFIT AND LOSS ACCOUNT AND BALANCE SHEET FOR THE YEAR ENDED 30 NOVEMBER 2020

	2020 £	2019 £
Turnover	353,435	1,372,999
Cost of sales	(54,817)	(232,485)
Gross profit	298,618	1,140,514
Administrative expenses	(293,758)	(731,541)
Operating profit	4,860	408,973
Gift aid payable to Three Counties Agricultural Society	(4,860)	(408,973)
Retained (loss) for the year	-	-
Total assets	£	£
Debtors: amounts falling due within one year	29,596	36,838
Cash at bank and in hand	22,900	7,242
	52,496	44,080
Total liabilities		
Creditors: amounts falling due within one year	(50,809)	(42,393)
Total assets less total liabilities	1,687	1,687
Reserves	£	£
Profit and loss reserves	1,682	1,682
Share capital	5	5
Shareholders' Funds	1,687	1,687

Administration expenses include £283,789 (2019: £711,056) for services supplied by the Charity which are recharged to the subsidiary.

The trading company made a gift aid donation of £4,860 (2019: £408,973) to the Charity, with the result that it has a £nil annual corporation tax liability. At the year-end £15,506 was due from Three Counties Agricultural Society to T.C.A. Trading Limited (2019: £20,040 due from T.C.A. Trading Ltd to the Three Counties Agricultural Society).

**THREE COUNTIES AGRICULTURAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

7. INVESTMENT INCOME

	2020	<i>2019</i>
	£000	<i>£000</i>
Bank interest receivable	1	<i>4</i>
Dividends	23	<i>28</i>
	24	<i>32</i>

8. NET INCOMING RESOURCES

This is stated after charging the following:

	2020	<i>2019</i>
	£000	<i>£000</i>
Auditor's remuneration:		
For audit services	15	<i>15</i>
For other services	4	<i>9</i>
Assets owned by the Group:		
Depreciation	347	<i>339</i>
Amortisation	12	<i>11</i>
Operating Lease Costs	6	<i>6</i>

9. A) AGRICULTURAL AND HORTICULTURAL ACTIVITIES – Resources Expended

Activity	Activities Undertaken Directly £000	Support Costs £000	2020 Total Costs £000	<i>2019 Total Costs £000</i>
Agricultural and Horticultural shows	1,721	296	2,017	<i>4,724</i>

**THREE COUNTIES AGRICULTURAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

9. B) ANALYSIS OF TOTAL RESOURCES EXPENDED AND SUPPORT COSTS BREAKDOWN BY ACTIVITY

ANALYSIS OF TOTAL RESOURCES EXPENDED

				2020	2019
	Staff costs	Other costs	Depreciation and Amortisation	Total	Total
	£000	£000	£000	£000	£000
Agricultural and Horticultural shows	1,180	503	334	2,017	4,724
Educational bursaries	-	42	-	42	20
Costs of raising funds	117	111	25	253	271
Finance costs	-	7	-	7	7
Total for Charity	1,297	663	359	2,319	5,022
Trading costs of the Subsidiary	133	216	-	349	964
Total for Group	1,430	879	359	2,668	5,986

SUPPORT COSTS BREAKDOWN BY ACTIVITY	Raising Funds	Charitable Activities	2020 Total Group	2019 Total Group
	£000	£000	£000	£000
Management	8	74	82	54
Finance	9	89	98	79
Information technology	9	93	102	99
Human resources	4	40	44	28
Total	30	296	326	260

Basis of allocation

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

GOVERNANCE COSTS

	2020	2019
	£000	£000
Auditors' remuneration:		
For audit services	15	15
Legal and professional fees	26	25
Staff costs	32	27
Other	7	20
	80	87

**THREE COUNTIES AGRICULTURAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

10. STAFF COSTS

a. Staff costs

	2020	<i>2019</i>
	£000	<i>£000</i>
Wages and salaries	1,268	<i>1,259</i>
Social security costs	95	<i>97</i>
Pension contributions	67	<i>60</i>
	<u>1,430</u>	<i><u>1,416</u></i>

b. Staff numbers

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

	2020	<i>2019</i>
	No.	<i>No.</i>
Office management	21	<i>22</i>
Permanent showground	9	<i>9</i>
Temporary office	0	<i>1</i>
Temporary showground	0	<i>1</i>
	<u>30</u>	<i><u>33</u></i>

The average headcount of employees during the year was:

<u>42</u>	<i><u>99</u></i>
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c. Higher paid staff

One employee of the charity earned between £100,000 and £110,000 during the year (2019: *one employee earned between £130,000 and £140,000 during the year*). Pension contributions in respect of this employee were £39,000 (2019: £31,346).

d. Remuneration of Key Management Personnel

Aggregate employee benefits of key management personnel (including employer NIC and pension costs) totalled £428,041 (2019: £451,185).

e. Termination payments

During the year termination payments of £38,505 were made (2019: *one payment of £2,500*).

11. TRUSTEES REMUNERATION AND EXPENSES

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

No trustee expenses were reimbursed in 2020 (2019: *£177 trustee expenses were reimbursed in year*). No trustees waived any expenses in 2020 or 2019.

**THREE COUNTIES AGRICULTURAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

12. TANGIBLE FIXED ASSETS OF THE GROUP AND THE CHARITY

	Freehold Land	Assets Under Construction	Buildings	Plant and Machinery	Motor Vehicles	Office/ Show Equipment	Total
	£000	£000	£000	£000	£000	£000	£000
Cost							
<i>At 1 December 2019</i>	270	406	6,060	909	45	271	7,961
Additions	685	26	103	52	-	15	881
Disposals	-	-	(347)	(8)	-	-	(355)
Transfers	-	-	-	-	-	-	-
	955	432	5,816	953	45	286	8,487
Depreciation							
<i>At 1 December 2019</i>	-	-	4,088	732	43	201	5,064
Disposals	-	-	(344)	(6)	-	-	(350)
Charge for the year	-	-	246	69	2	30	347
	-	-	3,990	795	45	231	5,061
Net Book Value							
At 30 November 2020	955	432	1,826	158	-	55	3,426
<i>At 30 November 2019</i>	270	406	1,972	177	2	70	2,897

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

**THREE COUNTIES AGRICULTURAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

13. INTANGIBLE FIXED ASSETS OF THE GROUP AND THE CHARITY

	Website £000	Total £000
Cost		
<i>As at 1st December 2019</i>	47	47
Additions in year	-	-
	47	47
Amortisation		
<i>As at 1st December 2019</i>	28	28
Charge for year	11	11
	39	39
Net book value		
At 30th November 2020	8	8
<i>At 30th November 2019</i>	19	19

14. INVESTMENTS

	Charity Listed Investments 2020 £000	2019 £000
<i>At 1 December 2019</i>	978	1,071
Additions	280	136
Disposals	(78)	(314)
Net gains / (losses)	2	85
At 30 November 2020	1,182	978
Cash balances awaiting reinvestment	60	248
At 30 November 2020	1,242	1,226
Historical cost	988	981

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

The largest listed investment held represents 9.06% of the total portfolio however this investment is placed with a tracker on the US Market rather than with a single company and so does not represent a stock specific risk.

The market value of investments held outside of the UK was £423,303 (2019: £315,105).

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15. DEBTORS

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade debtors	46	208	34	173
Amounts due from subsidiary company	-	-	-	20
Prepayments and accrued income	274	1,044	272	1,042
Other debtors	60	3	60	3
	<u>380</u>	<u>1,255</u>	<u>366</u>	<u>1,238</u>

16. CREDITORS

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade creditors	91	92	91	90
Amounts due to subsidiary company	-	-	16	-
Taxation and social security	26	70	26	70
Accruals	80	143	80	143
Pension costs	5	5	5	5
Deferred income (see note 17)	466	330	420	315
Bank loans due within one year	94	-	94	-
Bank credit cards	2	5	2	5
Other creditors	90	5	85	-
	<u>854</u>	<u>650</u>	<u>819</u>	<u>628</u>

17. DEFERRED INCOME

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
<i>Balance at 1 December 2019</i>	330	407	315	379
Released during the year	(330)	(407)	(315)	(379)
Income received in the year	466	330	420	315
Deferred income at 30 November 2020	<u>466</u>	<u>330</u>	<u>420</u>	<u>315</u>

Deferred income at 30 November 2020 represents income invoiced in respect of the shows to be held in 2021.

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18. BANK LOANS

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Due within one year	94	-	94	-
Due between one and two years	242	-	242	-
Due between two and five years	1,193	-	1,193	-
Due in more than five years	133	=	133	=
Total secured loans	1,662	-	1,662	-
Less due within one year (see note 16)	(94)	=	(94)	=
Total loans due in more than one year	<u>1,568</u>	=	<u>1,568</u>	=

The Society entered into a loan agreement with NatWest Bank during the year to purchase agricultural land adjacent to the showground. At the balance sheet date £661,955 remains outstanding, repayable over 5 years at the bank's variable rate.

The Society also entered into a low interest CBILS loan agreement with NatWest Bank during the year to borrow funds during the Coronavirus Covid-19 Pandemic. At the balance sheet date £1,000,000 remains outstanding, repayable over 6 years at the bank's variable rate.

The two loans are secured over certain of the Society's assets.

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19. STATEMENT OF FUNDS AND COMPARATIVE STATEMENT OF FUNDS

	<i>Balance at 1 December 2019 £000</i>	Income £000	Expenditure £000	Transfers £000	Gains / (losses) £000	Balance at 30 November 2020 £000
Restricted funds						
Donated farm	820	308	(35)	(1093)	-	-
Educational bursaries	6	10	(7)	1093	-	1,102
Total restricted funds	826	318	(42)	-	-	1,102
Unrestricted funds						
Charity	5,178	857	(2,278)	-	2	3,759
Trading subsidiary	2	353	(353)	-	-	2
Eliminated on consolidation	-	(5)	5	-	-	-
Total unrestricted funds	5,180	1,205	(2,626)	-	2	3,761
TOTAL FUNDS	6,006	1,523	(2,668)	-	2	4,863

During the year the Society received a legacy of land and property at New House Farm, Kingsland, Herefordshire incorporating approximately 52 acres of land and farm buildings. The land and farm buildings were subsequently sold during the year with the proceeds added to restricted funds to be used to provide funding for bursaries for farming students to go to agricultural college.

During the year a donation of £10,000 (2019: £10,000) was made from an anonymous donor towards an educational bursary. A total of £7,000 (2019: £8,000) was expended during the year on the bursary and £9,000 (2019: £6,000) has been carried forward at the year end.

The restricted funds of £1,102k (2019: £826k) are held within net current assets at the year end.

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	<i>Balance at 1 December 2018</i>	Income	Expenditure	Gains / (losses)	Balance at 30 November 2019
	<i>£000</i>	£000	£000	£000	£000
Restricted funds					
Donated farm	-	820	-	-	820
Educational bursaries	4	10	(8)	-	6
Total restricted funds	4	830	(8)	-	826
Unrestricted funds					
Charity	5,077	5,030	(5,014)	85	5,178
Trading subsidiary	2	1,373	(1,373)	-	2
Eliminated on consolidation	-	(409)	409	-	-
Total unrestricted funds	5,079	1,205	(5,978)	85	5,180
TOTAL FUNDS	5,083	1,523	(5,986)	85	6,006

20. NET ASSETS BY FUND

	2020			2019		
	Restricted funds	Unrestricted funds	Total	<i>Restricted funds</i>	<i>Unrestricted funds</i>	<i>Total</i>
	£000	£000	£000	<i>£000</i>	<i>£000</i>	<i>£000</i>
Fixed assets	-	4,676	4,676	-	4,142	4,142
Current assets	1,102	1,507	2,609	826	1,688	2,514
Current liabilities	-	(760)	(760)	-	(650)	(650)
Long term liabilities	-	(1,662)	(1,662)	-	-	-
Net assets	1,102	3,761	4,863	826	5,186	6,006

**THREE COUNTIES AGRICULTURAL SOCIETY
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21. RELATED PARTY TRANSACTIONS

During the current year forestry services to the value of £1,245 (2019: £3,680) were provided by Adrian Hope Tree Services, a business jointly owned by Adrian Hope who is also a trustee of Three Counties Agricultural Society. As at the year-end £Nil was outstanding (2019: £Nil).

During the current year professional fees to the value of £22,937 (2019: £1,451) were provided by McCartneys LLP, a business of which Clive Roads is a Partner and Chairman who is also a trustee of Three Counties Agricultural Society. As at the year-end £Nil was outstanding (2019: £Nil).

During the current year telecommunication services to the value of £767 (2019: £3,409) were provided by RHM Telecommunications Ltd, a business of which Roger Head is a director and also a trustee of Three Counties Agricultural Society. As at the year-end £64 was outstanding (2019: £64).

During the current year a show garden grant payment to the value of £10,000 (2019: £20,000) was provided to Howle Hill Nursery Ltd, a business of which Peter Dowle is a director who is also a trustee of Three Counties Agricultural Society. As at the year-end £Nil was outstanding (2019: £Nil).

All payments shown are net of V.A.T.

There are no further related party transactions requiring disclosure.

22. CAPITAL COMMITMENTS

At the year-end there were no capital commitments (2019: £Nil).

23. PENSION COMMITMENTS

The Society operates two defined contribution schemes. Contributions are charged to the Statement of Financial Activities as they become due. The assets are held separately from those of the charity in independently administered funds. The amount charged to the SOFA for the year was £67,017 (2019: £59,789). At the year-end £5,084 (2019: £5,396) remained outstanding.

24. GROUP FINANCIAL INSTRUMENTS

	2020	2019
	£000	£000
Financial assets measured at fair value	1,242	1,226
Financial assets measured at amortised cost	2,333	2,290
Financial liabilities measured at amortised cost	(263)	(244)

Financial assets measured at fair value comprise of investments.

Financial assets measured at amortised cost comprise of cash, trade debtors, accrued income and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, accruals, bank credit cards and other creditors.

Impairment losses charged to non-financial assets measured at settlement value in the year amounted to £Nil (2019: £Nil).

**THREE COUNTIES AGRICULTURAL SOCIETY
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25. ANALYSIS OF CHANGES IN NET DEBT

	<i>Balance at 1 December 2019 £000</i>	Cash- flows £000	New finance leases £000	Fair value movements £000	Other non-cash changes £000	Balance at 30 November 2020 £000
Cash	1,259	970	-	-	-	2,229
Cash equivalents	248	(188)	-	-	-	60
	1,507	782	-	-	-	2289
Loans falling due within one year	-	(94)	-	-	-	(94)
Loans falling due after more than one year	-	(1,568)	-	-	-	(1,568)
Finance lease obligations	(12)	6	-	-	-	(6)
Total	1,495	(874)	-	-	-	621

26. GRANTS PAYABLE

During the current year the Society made grant awards totalling £34k (2019: £121k) towards show gardens for the RHS Malvern Spring Festival.

Of these: £13k was paid out to 2 small businesses (2019: £69k, 7 businesses);
£19k was paid out to 6 individuals (2019: £46k, 10 individuals);
£2k was paid out to 10 schools (2019: £3k, 12 schools); and
Nothing was paid out to any flower societies (2019: £3k, 5 societies)

The Society also paid out educational bursary awards in the year totalling £7k (2019: £20k).

There were no grants committed to but outstanding for payment at the yearend (2019: £52k).

27. OPERATING LEASES

As at 30 November 2020 the group had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Expiry Date:		
Less than 1 year	6	6
Within 1 - 5 years	-	6
	6	12

THREE COUNTIES AGRICULTURAL SOCIETY
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28. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds 2019 £000	Restricted Funds 2019 £000	Total Funds 2019 £000
INCOME FROM				
Donations and Legacies	3	10	830	840
Charitable activities				
Agricultural and horticultural shows	4	4,280	-	4,280
Other Income	5	-	-	-
Other trading activities				
Fundraising events		299	-	299
Trading subsidiary income	6	1,373	-	1,373
Investments	7	32	-	32
Total		5,994	830	6,824
EXPENDITURE ON				
Charitable activities				
Agricultural and horticultural shows	9A	4,724	-	4,724
Educational Bursaries	9B	12	8	20
Other				
Fundraising events	9B	271	-	271
Trading subsidiary expenditure	9B	964	-	964
Investment management costs	9B	7	-	7
Total		5,978	8	5,986
Net gains / (losses) on investments		85	-	85
Net income		101	822	923
RECONCILIATION OF FUNDS				
<i>Total funds brought forward at 1 December 2018</i>		5,079	4	5,083
TOTAL FUNDS CARRIED FORWARD AT 30 NOVEMBER 2019	19	5,180	826	6,006

