



**TRUSTEES' ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**Stoneleigh Park  
Warwickshire  
CV8 2LZ**

**<http://www.rase.org.uk>  
e-mail: [info@rase.org.uk](mailto:info@rase.org.uk)**

**Registered Charity No. 209961**

## **Contents**

<b>TRUSTEES' ANNUAL REPORT</b>	<b>2</b>
Structure, Governance and Management	4
Objectives and Activities	6
Achievements and Performance	8
Review of Financial Performance	9
Plans for Future Periods	11
<b>INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AGRICULTURAL SOCIETY OF ENGLAND</b>	<b>12</b>
<b>CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2010</b>	<b>13</b>
<b>BALANCE SHEETS AS AT 31 DECEMBER 2010</b>	<b>14</b>
<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010</b>	<b>15</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>16</b>
<b>PROFESSIONAL ADVISERS TO THE SOCIETY</b>	<b>34</b>
<b>HONORARY TRUSTEES, OFFICERS AND COUNCIL</b>	<b>35</b>

## **Trustees' Annual Report**

The Trustees of the Royal Agricultural Society of England (RASE) present both their report and financial statements for the 12 months ended 31 December 2010 which have been prepared in accordance with the Statement of Recommended Practice for Charities (revised 2005), the Charities Act 1993, and the Charity (Accounts and Reports) Regulations 2008.

### **From The Chairman**

In my Annual Report for the year ending 31 December 2009 I wrote that we had ended the year with an unpleasant financial deficit and that 2010 would undoubtedly be another challenging year, but I expressed my quiet confidence that the Society would pull through to be a stronger and better focussed organisation, fit for purpose for the future.

2010 has indeed been another extremely challenging year with our focus very firmly on ensuring the future financial viability of the Society. We started the year by reviewing all areas of income and expenditure not just within the Society itself but also within our subsidiary commercial trading company, Stoneleigh Park Limited (SPL), and we were working towards a positive budget, albeit with only a small surplus. Very disappointingly though, despite making appropriate use of some restricted and designated funds, we were to end the year with yet another serious deficit with the principal reasons being the effects of restructuring the business, the onerous Pension Fund responsibilities and, to a lesser degree, a reduction of income from Events and Exhibitions (E&E) caused by the recession. In moving forward from here the Board of Trustees has taken further rigorous measures which are explained later.

I am pleased that we are not required to comment on any material uncertainty surrounding our cash flow as was the case in 2009.

The Board of Trustees has worked very closely with the Pension Fund (PF) Trustees to ensure that the Society's liabilities are met and a clear plan for the future is in place. Following the actuarial valuation on 31 March 2010 the deficit was £1.5m. This deficit has to an extent been reduced by subsequent rises in the value of the stock market and eliminated on an FRS17 basis. A clear repayment plan has also been agreed between the two Boards of Trustees. At the same time the Pension Fund has been closed to active members. Much will depend on the next triennial valuation in March 2013. A debt of gratitude is owed to the PF Trustees under the Chairmanship of Sir Graham Wilkinson as they have had to play a very delicate game of protecting our pensioners while ensuring the survival of the Society.

On 31 August the Arthur Rank Centre (ARC) and Farming & Countryside Education (FACE) gained their physical and financial independence from the Society. This is a natural step for both organisations, and in achieving this I am delighted that they will both intend to continue to occupy the Arthur Rank Centre building thus ensuring that the relationship between us all remains as strong as possible in the future. The Society will continue to share a very keen interest in their activities and we will support them wherever and whenever possible.

After many months of negotiation, the year ended with the signing on 17 December of a 150 year lease to LaSalle Investment Management (LIM) for the management and development of the whole Stoneleigh Park site. With this deal came, in outline, an immediate dowry of £5m and an intention to invest £50m into the site within 10 years. The Society will directly benefit from a profit share arrangement throughout the period of the tenancy. In a little more detail, the Society retains exclusive rights over certain buildings and there is an underlease for other buildings that will be used by SPL for the E&E business. This lease allowed the Society to clear its debts and make a major contribution to the Pension Fund, thus starting 2011 on a far stronger footing.

Following the General Election in May 2010 was the announcement that our Regional Development Agency, Advantage West Midlands (AWM), would close on 31 March 2011. The development of the 26 acre site within Stoneleigh Park that is owned by AWM has therefore been put on hold and the new access road from the A46 to Stoneleigh Park will not be built using AWM funding. The Society has exercised its right of buy-back for these 26 acres, thus enabling LaSalle Investment Management (LIM) to include this area within their site development plans.

With LIM now responsible for the existing property portfolio and the future development of Stoneleigh Park, the Board of Trustees together with the management has turned its attention to the rest of the Society's business. We have already made a commitment to focus on the RASE's core purpose of Practice with Science, and we have now agreed that SPL will run at arm's length as a separate commercial business reporting to an experienced and stand-alone Board which we are in the process of appointing. This will present great opportunities to us in the future, but the over-riding priority will be to ensure that the Society regains and retains its financial viability.

**Henry Cator OBE, FRICS, ARAgS, DL**  
**Chairman**

# ROYAL AGRICULTURAL SOCIETY OF ENGLAND

## Trustees' Annual Report and Financial Statements for the Year Ended 31 December 2010

---

### From The Chief Executive

As the Chairman has reported, 2010 was a tough year for RASE yet, as the year ended, everyone at Stoneleigh believed the corner had been turned. Thanks to sterling work by Trustees and my predecessor, Brian Warren, we ended the year with a new 'partner' in the shape of LaSalle Investment Management (LIM), and no longer burdened with long-term debt.

Our Practice with Science Advisory Group, under the excellent Chairmanship of Professor David Leaver and working in close consultation with our College of Honorary Fellows, has strengthened its commitment "to be the leading independent voice for agriculture and the rural economy". The Advisory Group has been responsible for ground-breaking reports on water and greenhouse gas emissions; it has probed the gap in science and extension in soils; and continued to set an agenda in support of a technically progressive UK agriculture. That work is set to gain further momentum in 2011.

RASE has been supported by its Strategy Group which worked tirelessly to develop partnership relationships with universities, local authorities and research bodies in order to support the development of Stoneleigh Park as a centre for sustainable technology which will complement the ideals of LIM as they plan for the future.

The Society ran the biennial *British Pig & Poultry Fair* in May which attracted increased exhibitor and visitor numbers. It also continued with its important awards programme.

We held regional events at the Drummonds' farm in Ross-on-Wye and Penelope Bossom's Overbury Estate on the Gloucestershire/Worcestershire border (Winners of the Society's Excellence in Practical Farming Award and the Bledisloe Gold Medal respectively in 2009). Our President, George Weston, hosted an open day at British Sugar's Wissington factory in Norfolk where waste is impossible to find – the beet is transformed into a wide range of sustainable products and the excess heat used to fuel one of the UK's biggest tomato production units.

Two events, the Royal Festival of the Horse, in association with Express Equine Eventing (E3), and *AgriLive Smithfield*, a joint venture with the Royal Smithfield Club, will not feature again because of insufficient support.

From now RASE must look to the future. We have to carve out a niche as a "thought leader" in rural England; rebuild our reputation as a robust, independent organisation alert to change and capable of rapid, innovative action that makes a real difference in three key, discrete but interlinked areas:

- The transfer of relevant and appropriate technology to improve the competitiveness of UK farmers;
- Training, education and development of the farming and rural workforce and thereby nurturing a robust and progressive rural economy;
- Encouraging a positive, national debate to support technological development, scientific innovation and the social fabric of rural England.

The Practice with Science motto drives the Society. Because of it, RASE invented and launched agricultural diplomas; helped establish seats of agricultural learning; facilitated agricultural research and development; invented the Cereals Event and gave birth to technical events nationwide; gave a voice and a home to FACE, the Arthur Rank Centre and ARC Addington, and much more.

Today there are similar challenges and the opportunity to develop new agendas. Training, education and new entrants are key fields in which RASE can and will be influential. The debate about acceptable science on arable and livestock farms is ripe for engagement. RASE will help the sector address its shortcomings in technical performance and see how knowledge and technology transfer can help improve things.

Above all, there is a need for RASE to be pro-active, bold and ambitious in thought, word and deed.

All of this activity can be used to create a more compelling reason for people to join our Society. We should accept an ambassadorial role, be prepared to take a place, representing RASE, on committees and working groups across the industry; be positive and progressive in developing relations and rebuilding trust. Despite all that is past there is residual respect for what RASE stands for. That is a foundation on which to build a robust and meaningful role for our Society.

May I thank most sincerely my colleagues on RASE staff, the Trustees, Council and all who have the best interest of RASE at their hearts. Your support has been most appreciated and will continue to be needed.

**Denis Chamberlain**  
Chief Executive

## ***Structure, Governance and Management***

The Royal Agricultural Society of England (the Society, the Charity or RASE) was incorporated in 1840 by Royal Charter (as amended 8 May 2003) and registered with the Charity Commission (charity number 209961).

The Objects for which the Society is constituted are:

- To promote and improve the science, technology, art and practice of agriculture, forestry, horticulture, kindred activities and the husbandry of livestock (including horses) and land and to promote the application of improved methods and processes connected therewith by demonstration and other appropriate means.
- To promote agricultural and environmental education, research and development and experimental work by maintaining and conducting a learned Society and by publications, grants, and other means.
- To advance religion by the promotion of religious activities and values amongst rural communities in such ways as the Board of Trustees may from time to time determine.

The Society's charter and bye-laws set out the composition and tenure of the Board of Trustees which comprises six elected members, four ex officio members (or other such number as the Trustees shall from time to time decide) and up to two additional members who can be co-opted on an annual basis. The non-elected Trustees serve for a period of three years and can be re-elected for a further three year period. At the end of the period of this report, there were seven elected Trustees.

Trustees are recruited from Members of the Council of the Society.

The Trustees are responsible for determining the strategy of the Society and for its overall governance. The day to day implementation of strategy and operation of the Society are delegated to the senior executive team.

### **Board of Trustees**

Henry Cator OBE FRICS ARAgS DL	Chairman
Malcolm McAllister	Vice-Chairman
Richard Gueterbock	
Richard Milligan-Manby MBA, ARAgS, N Sch	
Geoff Vickers FIAGrM, FRAgS	
Stephen Howe, FRAgS	appointed 29 September 2010
David Gardner	appointed 29 September 2010
Martin Wright	appointed 9 February 2011
Mark Spencer MP ARAgS	resigned 25 May 2010
Guy Hurst MRICS	Vice Chairman. retired 30 September 2010
Peter Stovold	retired 30 September 2010

### **Induction and Training**

An induction procedure for new Trustees operates which includes an introduction to the Society and its financial position. Additionally, all Trustees are encouraged to attend one relevant training course in each year. We have also introduced techniques for skills assessment to identify training needs and assist in the selection of new Trustees.

### **Committees**

- **Audit Committee** - chaired by a member of the Society, who is not otherwise involved in the governance of the Society. The Audit Committee ensures that the Society's financial procedures and controls and risk management policies are appropriate and effective.
- **Awards Committee** - chaired by a member of the Society to select annually the winners of the awards that are made by the Society.
- **Practice with Science Advisory Group** - established to promote research, development and the implementation of agricultural science, and the communication of such work and chaired by a member of the Society.
- **The RASE Louise Ryan Fund Advisory Committee** - to make recommendations to the Board of Trustees for the allocation of funds from the RASE Louise Ryan Fund.
- **Editorial Advisory Board of the Journal** - to advise and review content for the RASE's annual Journal.

# ROYAL AGRICULTURAL SOCIETY OF ENGLAND

## Trustees' Annual Report and Financial Statements for the Year Ended 31 December 2010

---

- **Committee for the College of Honorary Fellows** - chaired by a member of the Society to administer the Council of Honorary Fellows and recommend the appointment of new Honorary Fellows.

### Executive Management

Denis Chamberlain is the Chief Executive of the Society to whom the Board of Trustees has delegated day to day management.

### Risk Management

The risks to which the Society is exposed are monitored on a regular basis by the Executive and the Board of Trustees, and appropriate action is taken to minimise any possible disruption to the effectiveness of the Society's work. The principal risks are listed in a Risk Register and, by means of a risk scoring system; the more important ones are identified. Insurance cover, including sums insured, is reviewed annually with the Society's insurance broker, who advises on any major changes in policy coverage, or any new potential risks that need to be considered. The Board of Trustees reviews the risk monitoring process at least annually.

### Staff and Volunteers

The Society is fortunate to have many volunteers who are involved in service provision in particular to the Arthur Rank Centre. It is estimated that 1,000 (2009: 6,000) volunteer hours were provided during the period. This reduction is a reflection of there being no Royal Show in 2010.

### Subsidiaries

At the start of the year the Society had three subsidiary companies, two of which gained independence from the Society on 31 August 2010:

- ♦ **Stoneleigh Park Limited (SPL)** - a company limited by shares, registered number 1431132. SPL is the Society's trading subsidiary and its principal activities are:
  - ♦ Maximising the generation of income from the use of the facilities at Stoneleigh Park, primarily through the management of events, exhibitions and conferences for external customers
  - ♦ The provision of services and accommodation to support events and activities that take place at Stoneleigh Park
- ♦ **The Arthur Rank Centre (ARC)** - a company limited by guarantee, registered number 4917066, charity number 1104300. The ARC aims to provide support to the rural community with respect to community and social issues. This is achieved through three key areas of activity:
  - ♦ Provision of Chaplaincy service to the RASE and the agricultural industry
  - ♦ Provision of specialist training and resourcing programmes
  - ♦ Initiation, facilitation and promotion of rural community development

ARC ceased to be a subsidiary company on 31 August 2010

- ♦ **Farming and Countryside Education (FACE)** – a company limited by guarantee, registered number 5315689, charity number 1108241. The objects for which FACE is constituted are to advance the public's education (in particular the education of children of school age) in farming, food production and the countryside. FACE aims to provide individual pupils with an opportunity to learn more about food and farming in a sustainable countryside. This is achieved through four key areas of activity:
  - ♦ Developing curriculum resources for schools
  - ♦ Encouraging visits to the countryside
  - ♦ Underpinning this work through monitoring, research and evaluation
  - ♦ Working in partnership

FACE ceased to be a subsidiary company on 31 August 2010

The report and consolidated financial statements relate to the total activities of the Society and its subsidiaries (the Group).

### Third party indemnity provision for trustees

Qualifying third party indemnity provision is in place for the benefit of all trustees of the charity.

## *Objectives and Activities*

### *'Working for the future of farming and rural England'*

In 2009 the Board of Trustees adopted the following Vision and Mission which is guiding the Society through the following 3 years. The Vision and Mission remain extant despite the granting of independence to ARC and FACE on 31 August 2010 and the signing of the lease with LIM on 17 December 2010.

#### **Our Vision**

To realise our vision the Society must encourage excellence in farming and inspire all those with an interest in food, farming and rural matters to share a passion for viable long-term and sustainable supply chains.

Our vision is to be recognised as:

*'A charitable organisation of national and international standing dedicated to agriculture, land management, the wellbeing of rural communities, and to shaping a strong rural economy.'*

#### **Our Mission**

Our mission, or put simply, our *core purpose*, is to be a forward thinking, vibrant, independent, and apolitical charity that *aims to deliver value to the industry* specifically focusing on two essentials:

**Practice with Science in the Agricultural Sector:** The national academic and practical lead, encouraging and stimulating agricultural innovation; knowledge and technology transfer; the application of good science and promoting best practice with emphasis on profitable and environmentally sound production and land management, as well as sustainability.

**Wider Rural Education, Sustainability and Community Support:** The national lead that actively contributes to the social, cultural and spiritual wellbeing of our rural communities, the countryside in which they live and fostering a greater understanding of farming and countryside matters among the general public and in schools.

#### **Realising our Vision**

To realise this vision, we must embrace:

- Collaboration – working in partnerships and close association acting as a catalyst and enabler with the public and private sectors both nationally and internationally to deliver market led initiatives;
- Teamwork and communication – working closely together towards a common goal;
- Business development and income generation – in order to finance these activities and fulfil the Vision;
- Sustainable development of the Stoneleigh Park site.

#### **Our Strategy**

To achieve our Vision and Mission we will look to:

##### **1. Meeting the Society's Charitable Objectives**

The effective use of the Society's resources to deliver a programme of work appropriate to the Society's remit, that meets the needs of the industry and communities we serve and generates income for the Society. This includes the work of the Practice with Science Group, the Society's technical events, exhibitions, conferences, Journal etc. and the work of ARC and FACE. In addition, re-vitalising the work, influence and profile of the Society throughout the English regions by engagement with Members of Council, our Honorary Fellows and the co-option of representatives with regional contacts and knowledge.

**Priority 1.1** Provide an independent and respected voice of agriculture, land managers and rural matters

**Priority 1.2** Provide an impartial and respected voice on wider educational, economic, social, cultural and spiritual wellbeing of our rural communities.

**Priority 1.3** Deliver annually both technical agricultural and the public facing shows in support of Priorities 1.1 and 1.2 above.

## **2. Protecting our investment and ensuring there are sustainable funding streams**

Maximise the appropriate use of Stoneleigh Park and all its facilities to generate income and consolidate the site as *venue of choice* for all matters rural. This will include management of external events and exhibitions and the marketing and promotion of the site to all appropriate businesses and organisations. Furthermore, we must support a publicly accessible National Agricultural/Rural Heritage facility or archive.

In addition, initiating the transformation of the Stoneleigh Park site, in partnership with others, into a national and international centre of rural excellence and the UK's leading destination for everyone with an interest in food, farming and the countryside.

**Priority 2.1      Protect and manage our investments and maximise income generation while operating under an umbrella of rigorous financial checks and controls.**

## **3. Broadcasting the work of the Society**

Effective marketing of the Society's work programme and Stoneleigh Park to farmers and their industry, land managers, rural communities and all related organisations and businesses followed by comprehensive publicity of its achievements. This will include development of an effective marketing and promotional programme and the tools associated with this, such as branding, promotional material, press releases, establishing press and media contacts at regional and national level, use of the web and IT. In addition, it will require a radical overhaul of the membership programme in order to better meet the future requirements of the agricultural sector and associated activities in a highly competitive market.

**Priority 3.1      Deliver a coherent communication, marketing and membership programme and plan.**

## **4. Having effective internal processes**

Under strong leadership and in a safe working environment, motivate the Society's staff based on a clear vision for the Society and direction of its work; good governance and management that empowers staff to grow, be confident, share responsibility and enjoy being part of a dynamic team that takes pride in the Society which they serve; recognition of personal achievement in the delivery of shared goals and objectives; and encouraging staff development through provision of appropriate training and personal development.

**Priority 4.1      Recruit, train, motivate and retain our own people in order that they can work in a safe, businesslike and harmonious environment.**

**Priority 4.2      Work to an efficient internal communication plan.**

**Priority 4.3      Maintain the integrity of the charitable status and strict governance under which the Society operates.**

This Strategic Plan embraces and enhances the process of creating a Society that is well manned, fully equipped and ready to meet future challenges. The Executive wrote detailed Action and Business plans that supported the priorities above and conducted an organisational review to ensure the Society is optimised and fit for purpose. This is a dynamic and 'living' document and will be refined when appropriate. It is being formally reviewed in 2011 in view of the lease agreement that was signed with LIM on 17 December 2010.

## **Public Benefit**

The Trustees consider that these objectives, activities and goals have a clear public benefit in enhancing the economic, social and cultural well being of rural communities.

In drafting these statements, the Trustees have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to the public benefit guidance published by the Charity Commission.

## ***Achievements and Performance***

In achieving the Society's Vision and Mission the following has taken place

### **Priority 1.1 Provide an independent and respected voice of agriculture, land managers and rural matters**

#### **Practice with Science**

In 2010 the Society further strengthened its commitment "to be the leading independent voice for agriculture and the rural economy" through the work of the Agri-Science Directorate.

The Practice with Science Advisory Group has continued to discuss a number of key issues in 2010 including the management of soils, the challenges around water use that agriculture will face in the future, plant breeding, anaerobic digestion and public goods. Professor David Leaver has been Chairman of the Group and Jim Godfrey the Vice-Chairman.

In April Professor David Leaver's Applied Agricultural Research paper was published. This was followed in October by a pamphlet entitled "Water for Agriculture – Implications for future policy and practice" and over 900 paper copies and some 4,000 electronic copies of the Report were sent out to key stakeholders.

#### **Honorary Fellows**

The Society's College of Fellows met in June in London and in November at Stoneleigh Park. 8 new Honorary Fellows were appointed during the year.

#### **President's Seminar**

The President of the Society, George Weston, hosted a Society visit to British Sugar UK & Ireland's factory at Wissington in Norfolk. British Sugar UK & Ireland is part of British Sugar Group, wholly owned by international food ingredients and retail group Associated British Foods plc.

#### **Warwickshire Rural Hub**

The Society has continued to support the Warwickshire Rural Hub and its work, providing an office base and venue for the Hub's popular programme of events.

#### **Society Awards**

By honouring individuals and organisations with its awards, in 2010 the Society has recognised and rewarded the best in agriculture, business, food production, science, best practice and communication.

### **Priority 1.2 Provide an impartial and respected voice on wider educational, economic, social, cultural and spiritual wellbeing of our rural communities.**

#### **Communication**

The Society has continued to communicate its activities with as wide an audience as possible, using a wide variety of tools and media including a quarterly mailing to Members, the Society Journal and weekly e-news bulletins. The Society has a number of websites reflecting its various activities.

### **Priority 1.3 Deliver annually both technical agricultural and the public facing shows in support of Priorities 1.1 and 1.2 above.**

In 2010 the Society ran the British Pig & Poultry Fair. Held in May on a biennial basis, this was again a great success, tackling a range of issues for the pig and poultry industries through conferences, seminars and trade displays.

In partnership with the Royal Smithfield Club, the first AgriLIVE Smithfield show took place in December 2009. Unfortunately unsustainable costs and a lack of trade stand sales contributed to the 2010 event being financially unviable, and accordingly it was cancelled. The Society's contract with the Royal Smithfield Club for further such events was terminated by mutual agreement.

A wide range of agriculturally related events took place at Stoneleigh Park including:

- The National All Breeds Show for all dairy breeds
- The National Dressage Championships
- The Royal Festival of the Horse
- The Agricultural Buildings Show
- The Chicken Conference

# ROYAL AGRICULTURAL SOCIETY OF ENGLAND

## Trustees' Annual Report and Financial Statements for the Year Ended 31 December 2010

---

- The Domestic Waterfowl Show
- The National Poultry Show
- Various conferences and seminars.

Further such events in support of the Society's core purpose will be held in 2011 including the Grassland & Muck Event and Pig & Poultry Live.

### **Priority 2.1 Protect and manage our investments and maximise income generation while operating under an umbrella of rigorous financial checks and controls.**

The Society works with expert advisers to ensure investments are protected and financial controls are strong. The latter process is overseen by the Audit Committee.

With regard to the development of Stoneleigh Park, the Core Partners Group that was established in 2009 to advise the Society on development opportunities has continued its work. The Group consists of the Regional Development Agency, Advantage West Midlands, Local Authorities, Universities of Warwick and Coventry, Chamber of Commerce, Coventry, Solihull & Warwickshire Partnership and IATC.

In support of this, a Sustainable Energy Steering Group with responsibility for the development of an overall energy strategy for the site and the management of waste, water, transport and building policy was established – the Steering Group's work will continue in 2011 under the site lease arrangements with LaSalle Investment Management.

### **Priority 3.1 Deliver a coherent communication, marketing and membership programme and plan.**

In 2009 the Society and Stoneleigh Park were re-branded, and new websites for each of the Society's activities were developed. The new brands have supported marketing campaigns for each of the Society's events and Stoneleigh Park Limited's commercial activities.

The Society has continued to arrange regional events for our Members with varying levels of support. It is acknowledged that the Society must be seen by Members and prospective Members to be worth supporting, and accordingly additional exclusive benefits will be considered in 2011.

### **Priority 4.1 Recruit, train, motivate and retain our own people in order that they can work in a safe, businesslike and harmonious environment.**

The staff structure is communicated to all employees, with each employee clearly understanding their role within the Society. Each employee receives an annual appraisal based on previously agreed performance actions and objectives, and this appraisal will include personal development training where appropriate. The Society employs a full-time Health & Safety advisor.

### **Priority 4.2 Work to an efficient internal communication plan.**

The re-location of the Society's office to the refurbished Eastwood Pavilion in May 2009 and the subsequent restructuring of the staff organisation improved internal communications. Further re-organisations and a move to the Arthur Rank Centre building are expected in early 2011.

### **Priority 4.3 Maintain the integrity of the charitable status and strict governance under which the Society operates.**

The Society's charitable status is maintained through the wide range of charitable and core purpose activities that are conducted as normal business, and strict governance is maintained through the organisational structure of the Society from the staff through the Chief Executive to the Board of Trustees and on to the Advisory Council. With effect from early 2011, SPL is being managed at arms length by a separate board.

## ***Review of Financial Performance***

2010 was another extremely challenging year for the Society. The economic recession led to continued pressure on income from the commercial activities of Stoneleigh Park Ltd, placing strain on the financial position of the group. Pension costs and necessary professional fees added to the difficulties. A Group net deficit of £5,149k (2009: £817k) was recorded.

On 17 December 2010 the Society signed a long term lease and other agreements with LIM who act on behalf of a major Pension Fund. This transaction has given rise to substantial changes in the financial position:-

# ROYAL AGRICULTURAL SOCIETY OF ENGLAND

## Trustees' Annual Report and Financial Statements for the Year Ended 31 December 2010

---

- The entirety of the Society's buildings portfolio was disposed of at a loss to book value of £2,887,000.
- Freehold land was revalued to £2,000,000, giving rise to a loss of £758,000.
- Part of the consideration for the lease was rent free periods on certain properties. The present value of these rent free periods has been brought onto the balance sheet as deferred expenditure at a value of £1,050,000. This will be released into the SOFA over the duration of the rent free periods.
- A sublease was signed to bring the Society into occupation of the property used for the Events and Exhibitions business of Stoneleigh Park Limited. This has been treated as a finance lease and the associated fixed asset brought onto the balance sheet at a value of £2,132,000.

Receipt of the lease premium allowed for repayment of the Society's indebtedness to its bankers, to ARC & to FACE, as well as a substantial contribution to the Pension Scheme.

The Society entered into an interest rate swap arrangement at renewal of its banking facilities in March 2010 in order to mitigate the risk of interest rate increases. The interest rate on the loan of £3,544k was fixed at a rate of 2.03% for the period 10/06/2010 – 24/03/2011. The loan was repaid in December 2010 so this arrangement was no longer required. The cost of terminating this arrangement is £31,000.

ARC & FACE ceased to be subsidiaries on 31 August 2010 and their results up until that date are included in the SOFA. Their balance sheets are no longer included in the consolidation. The effect of this change is a reduction in group funds of £339k in respect of ARC & £203k in respect of FACE. These sums are shown in the SOFA under 'Other resources expended'.

Regular management accounts and forecasts are prepared and reviewed by the Trustees. As a consequence, the Trustees were able to take the difficult decisions necessary to ensure the survival and continued operation of the Society. These decisions have included severe cost cutting measures. Regrettably, this has meant that some staff have left the Society's service.

The principal sources of income for the Society and the Group are the commercial activities undertaken by Stoneleigh Park Ltd. The proceeds of this activity are applied to meet the key objectives by holding technical events, supporting ARC & FACE, and work in the area of Agri-science. Information on Permanent Endowment, Restricted and Designated Funds is given in notes 16, 17 and 18 to the accounts respectively.

### Financial Management Policies

To ensure the Society is managed efficiently and effectively, the Board of Trustees have delegated a range of day-to-day decision-making powers to the Executive Team, which reports directly to the Board of Trustees. The Board of Trustees has also established appropriate controls and reporting mechanisms to ensure that the Society operates within the scope of the powers delegated to it. The delegation policy is updated on an ongoing basis and is formally reviewed and approved by Trustees as amendments are required. The most recent review was in March 2011.

The Audit Committee meets regularly with the external auditors, both with and without the presence of management. The group agrees the external audit plan, reviews the external auditors' management letter, and monitors implementation of actions required as a result. The Audit Committee also has the responsibility of ensuring that the audit, risk management and control processes within the Society are effective.

### Pension Fund

Total unrestricted funds as shown in the accounts include a funding deficit of zero (2009: £1.0 million) calculated under FRS17 in respect of the Charity's defined benefit pension scheme.

The actuary's calculation showed a surplus of £570k. However, surpluses are only recoverable by the Society in the event of there being a surplus on a buyout basis. The fund would continue to show a deficit on a buyout basis, so it was not appropriate to show an asset in the financial statements and the funding balance was set at zero.

The Trustees believe that this funding calculation, which can vary considerably year on year according to the assumptions made at each year end, has no material effect on the Charity's cash flows in the short term, and that in the longer term its effects are sustainable out of future income. Hence, they consider that it should be disregarded for reserves policy purposes. The Trustees take their responsibilities to members of the Pension Fund very seriously and make it a high priority to ensure that obligations to members can be met.

### Reserves policy

The policy is to hold sufficient unrestricted funds to cover exceptional capital and operating expenditure which cannot be funded from the normal general contingency set aside within operational budgets. This policy would normally require holding total unrestricted operating funds of at least £500k. Group unrestricted funds at the year end amounted to £2,516k (2009: £5,268k). However, there were functional fixed assets in charitable use and Investment Properties of £4,404k (2009: £11,437k) so that there were no free reserves. The Society is looking to build to the target figure in the medium term.

# ROYAL AGRICULTURAL SOCIETY OF ENGLAND

## Trustees' Annual Report and Financial Statements for the Year Ended 31 December 2010

---

### Investment policy and performance

Assets relating to endowment or restricted funds are invested with CCLA Investment Management Ltd in their Charities Investment Fund and Charities Deposit Fund. The rise in world markets over 2010 has led to gains on investment assets of £69k (2009: £179k).

### Grant making policy

The Society makes grants to organisations or individuals where these are considered valid in support of its charitable objectives.

### Custodian Trustee

The Society acts as Custodian Trustee for a cash sum of £125k (2009: £125k) held on behalf of the Hanworth Park Preservation Trust whose objects include the preservation and improvement of the Parish Church of .St George, Hanworth Park, Middlesex, its grounds and outbuildings. The funds held are in respect of a project to improve the grounds and outbuildings. The agreement by which the funds are held provides that they should be maintained in a separate bank account. The Society has not complied with this provision, but will make funds available to the Trust as required.

## *Plans for Future Periods*

The completion of the property transaction with LIM has freed the Society of debt and allowed it to focus on its core purpose rather than financial matters. Stoneleigh Park Ltd is being constituted with a separate board which will allow it to focus on profit making activities, allowing the Trustees to concentrate on delivering the Practice with Science agenda.

### Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the Royal Charter of Incorporation, 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 charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed on behalf of the Trustees on 26 April 2011

H.G. Cator OBE FRICS ARAGS DL  
Chairman of Board of Trustees

## Independent Auditor's Report to the Trustees of the Royal Agricultural Society of England

We have audited the financial statements of The Royal Agricultural Society of England ("the charity") for the year ended 31 December 2010 on pages 13 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

- **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements** A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

- **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 December 2010 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 1993.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is not consistent with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

BAKER TILLY UK AUDIT LLP  
Statutory Auditor  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham B2 5AF

Date..... 2011

## Consolidated Statement of Financial Activities for the Year Ended 31 December 2010

	Notes	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Funds £000s	Total 2010 £000s	Total 2009 £000s
<b>Incoming resources</b>						
Incoming resources from generated funds						
Voluntary income		859	377	-	1,236	1,110
Activities for generating funds		5,392	16	-	5,408	6,416
Investment income		-	64	-	64	124
Incoming resources from charitable activities						
Membership services		124	-	-	124	280
Rural programme		461	447	-	908	752
<b>Total incoming resources</b>	<b>3</b>	<b>6,836</b>	<b>904</b>	<b>-</b>	<b>7,740</b>	<b>8,682</b>
<b>Resources expended</b>						
Costs of generating funds						
Fundraising		-	(66)	-	(66)	(32)
Trading expenses		(5,746)	-	-	(5,746)	(7,418)
Costs of charitable activities						
Grants		(54)	(8)	-	(62)	(147)
Membership services		(322)	-	-	(322)	(403)
Rural programme		(507)	(864)	-	(1,371)	(1,453)
Governance costs	4c	(104)	(24)	-	(128)	(110)
Exceptional item	4d	(2,887)	-	-	(2,887)	-
Other resources expended	4e	-	(973)	(1,117)	(2,090)	-
<b>Total resources expended</b>	<b>4</b>	<b>(9,620)</b>	<b>(1,935)</b>	<b>(1,117)</b>	<b>(12,672)</b>	<b>(9,563)</b>
<b>Net (outgoing) resources before transfers</b>		<b>(2,784)</b>	<b>(1,031)</b>	<b>(1,117)</b>	<b>(4,932)</b>	<b>(881)</b>
Transfers between funds	21	317	(243)	(74)	-	-
<b>Net (outgoing) resources</b>		<b>(2,467)</b>	<b>(1,274)</b>	<b>(1,191)</b>	<b>(4,932)</b>	<b>(881)</b>
Gains/(losses) on investment assets						
Unrealised	12	(758)	4	4	(750)	125
Realised		132	11	49	192	54
<b>Net movement in funds before actuarial gain/(loss) on defined benefit pension scheme</b>		<b>(3,093)</b>	<b>(1,259)</b>	<b>(1,138)</b>	<b>(5,490)</b>	<b>(702)</b>
Actuarial gain/(loss) on defined benefit pension scheme	23	341	-	-	341	(115)
<b>Net Movement of Funds</b>		<b>(2,752)</b>	<b>(1,259)</b>	<b>(1,138)</b>	<b>(5,149)</b>	<b>(817)</b>
<b>Opening Value of Funds</b>		<b>5,268</b>	<b>1,366</b>	<b>1,209</b>	<b>7,843</b>	<b>8,660</b>
<b>Closing Value of Funds</b>		<b>2,516</b>	<b>107</b>	<b>71</b>	<b>2,694</b>	<b>7,843</b>

The Statement of Financial Activities includes all gains and losses in the year. All income/ (expenditure) relates to continuing activities.

The Exceptional item is the loss on disposal of buildings at Stoneleigh Park. Details of this transaction are given in the Review of Financial Performance on page 9.

ROYAL AGRICULTURAL SOCIETY OF ENGLAND

Balance Sheets as at 31 December 2010

	Notes	Group		Society	
		2010 £000s	2009 £000s	2010 £000s	2009 £000s
<b>Fixed assets</b>					
Tangible fixed assets	8	2,404	9,275	2,404	9,274
Investments	9	2,141	4,018	2,141	4,018
		<b>4,545</b>	<b>13,293</b>	<b>4,545</b>	<b>13,292</b>
<b>Current assets</b>					
Stocks	11	21	10	-	-
Debtors – amounts falling due within one year	13(a)	1,616	1,027	944	477
Debtors – amounts falling after more than one year	13(b)	795	-	795	-
Investments	10	-	1	-	-
Cash at bank and in hand		702	159	702	5
		<b>3,134</b>	<b>1,197</b>	<b>2,441</b>	<b>482</b>
<b>Creditors</b>					
Amounts falling due within one year	14	(2,874)	(2,426)	(2,216)	(2,340)
<b>Net current assets/(liabilities)</b>		<b>260</b>	<b>(1,229)</b>	<b>225</b>	<b>(1,858)</b>
<b>Total assets less current liabilities</b>		<b>4,805</b>	<b>12,064</b>	<b>4,770</b>	<b>11,434</b>
<b>Creditors</b>					
Amounts falling due after more than one year	15	(2,111)	(3,255)	(2,091)	(3,255)
<b>Net assets before pension fund liability</b>		<b>2,694</b>	<b>8,809</b>	<b>2,679</b>	<b>8,179</b>
<b>Pension fund liability</b>	23	-	<b>(966)</b>	-	<b>(966)</b>
<b>Net assets after pension fund liability</b>		<b>2,694</b>	<b>7,843</b>	<b>2,679</b>	<b>7,213</b>
<b>Capital funds</b>					
Permanent endowment funds	16	71	1,209	71	1,209
<b>Income funds</b>					
Restricted funds	17	107	1,366	107	751
Unrestricted funds					
Designated	18	327	1,254	327	1,254
Other charitable funds		2,174	3,999	2,174	3,999
Funds retained in non-charitable subsidiary		15	15	-	-
		<b>2,694</b>	<b>7,843</b>	<b>2,679</b>	<b>7,213</b>

The financial statements on pages 13-33 were approved by the Trustees and authorised for issue on 26 April 2011 and are signed on their behalf by:

H.G. Cator OBE FRICS ARAgS DL  
Chairman of Board of Trustees

**Cash Flow Statement for the Year Ended 31 December 2010**

	Notes	£000s	2010 £000s	£000s	2009 £000s
<b>Net cash (outflow)/ inflow from operating activities</b>	<b>24</b>		<b>(1,752)</b>		<b>184</b>
<b>Returns on investments and servicing of finance</b>					
Interest received		9		12	
Dividends received		55		112	
Interest paid and finance charges		(132)		(73)	
<b>Net cash (outflow)/ inflow from returns on investments and servicing of finance</b>			<b>(68)</b>		<b>51</b>
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		(145)		(1,761)	
Receipts from sale of fixed assets		4,498		-	
Receipts from sale of investments		1,747		911	
<b>Net cash inflow/(outflow) from capital expenditure and financial investment</b>			<b>6,100</b>		<b>(850)</b>
<b>Cash inflow/(outflow) before management of liquid resources and financing</b>			<b>4,280</b>		<b>(615)</b>
<b>Management of liquid resources</b>					
Cash increase from movement in current asset investments			37		214
<b>Financing</b>					
New loans/leases		-		950	
Loan repayments		(3,544)		(206)	
<b>Net cash (outflow)/ inflow from financing</b>			<b>(3,544)</b>		<b>744</b>
<b>Increase in cash</b>	<b>25</b>		<b>773</b>		<b>343</b>

## Notes to the Financial Statements

### 1) ACCOUNTING POLICIES

#### i) Accounting convention

These financial statements have been prepared under the historical cost convention, except for the revaluation of investments and investment properties, in compliance with the Statement of Recommended Practice (revised 2005), "Accounting and Reporting by Charities", the Charities Act 1993 and appropriate accounting standards.

#### ii) Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees' Report on pages 2 to 11. The financial position of the Society, its cash flows, liquidity position and borrowing facilities are described in the Review of Financial Performance on pages 9 & 10. In addition, the Trustees' Report includes the Society's policies for financial management, reserves and investment policy.

As described in the Trustees' report on pages 9 & 10, the current economic environment is difficult and the Society has reported a deficit for the year. The Trustees consider that the outlook presents significant challenges in terms of sales volume and pricing for the commercial activities operated by Stoneleigh Park Ltd and the technical events organised by the Society. Whilst the Trustees have instituted measures to reduce costs, preserve cash and secure additional finance, these circumstances create uncertainties over future trading results and cash flows.

Nevertheless, after making enquiries, preparing detailed financial forecasts, and considering the uncertainties described above, the Trustees have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Trustees are confident that the measures they have taken to improve the financial performance of the Society will ensure its viability

#### iii) Basis of Consolidation

The consolidated financial statements have been prepared for the Society and its wholly owned subsidiaries, Stoneleigh Park Limited, ARC & FACE.

ARC & FACE's results have been consolidated until the point that they left RASE control on 31 August 2010.

The Society has taken advantage of Section 397 of the Statement of Recommended Practice 2005 in only presenting a Consolidated Statement of Financial Activities. The results of the subsidiaries are summarised in Note 2 and are shown within the Statement of Financial Activities under the headings appropriate to their activities.

#### iv) Incoming Resources

##### Donations

Donations and legacies, whether money or gifts in kind, are taken to the Statement of Financial Activities when the conditions for the receipt have been met, amounts can be measured with reasonable accuracy and there is reasonable certainty of receipt. Gifts in kind of a material amount are valued at the market value at the date of the gift.

##### Members' Subscriptions/Services

Members' subscriptions relate to the financial period and are dealt with in the financial statements on a deferral basis. Subscriptions received in advance are not brought into the Statement of Financial Activities until the year to which they relate. The membership year runs from 1 October to 30 September. One quarter of membership subscriptions received by 31 December 2010 relating to the 2010/11 membership year have been taken to income in the reporting period. Life members' lump sum subscriptions are taken to the Life Members' equalisation account and released to the revenue account in equal annual instalments representing the estimated annual proportion of the subscription.

##### Investment Income

Investment income comprises dividends declared during the accounting period and interest receivable. These are accounted for on an accruals basis on listed and unlisted investments.

##### Charitable Grants receivable

Income from charitable grants is recognised in full in the Statement of Financial Activities in the year in which it is receivable. Income from grants is allocated to the relevant incoming resource category on the face of the Statement of Financial Activities.

**Rural Programme**

Income from the Rural Programme includes some membership income (from ARC and FACE), and grants, all of which are accounted for as indicated above.

**Other incoming resources**

Where not specifically described above, incoming resources are accounted for on an accruals basis.

**v) Expenditure**

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All direct costs have been attributed to the relevant functional category of resources expended in the Statement of Financial Activities.

All expenditure relating to technical events in future years has been deferred, where it is expected to be met by future income from such events.

Costs of generating funds comprise costs directly incurred in generating revenue including trading activities in Stoneleigh Park Ltd.

Costs of charitable activities include all costs relating to the delivery of the Society's charitable objectives.

Support costs comprise all non-directly attributable costs including finance, human resources, information technology and management. These costs have been allocated across the functional categories of resources expended on the basis of expenditure.

Governance costs are based upon the time spent on such activities by the Executive and support staff, plus any external costs directly attributable to the cost of governance.

Grants payable are recognised when a commitment is conveyed to the recipient and all material conditions relating to the grant have been fulfilled.

Irrecoverable VAT is included within the functional category of resources expended to which the associated expenditure relates.

**vi) Tangible Assets**

Expenditure on individual tangible assets in excess of £1,000 is capitalised and depreciated over the expected service life of the asset. Fixed assets are included at purchase cost together with incidental costs of acquisition. Depreciation is provided in equal instalments on all tangible fixed assets at rates estimated to write down the cost of each asset to its residual value over its anticipated life. Impairment reviews are undertaken when there is some indication that the recoverable amount of a functional fixed asset is below its net book value.

The rates of depreciation used are:

Freehold land	nil
Investment property	nil
Freehold and leasehold buildings	5% - 20%
Site development	5% - 20%
Machinery, equipment and furniture	10% - 25%
Computers	33%

The Society holds other historical assets donated over past years including cups, trophies, paintings and the library, which are not considered to be individually material. It is the Society's policy not to dispose of these assets, which are held as artefacts and have not been capitalised as the Trustees consider that reliable cost information is not available and conventional valuation approaches lack sufficient reliability. These assets have been insured for £621,000.

**vii) Investment properties**

Investment properties are stated at open market valuation. They are not depreciated in line with SSAP19.

In arriving at their valuations, the Trustees take account of professional advice. Investment properties have been reclassified on the balance sheet to be included in Investments rather than Tangible Fixed Assets. Comparative figures have been amended by £2,162k.

**viii) Stocks**

Stocks are valued at the lower of cost and net realisable value.

# ROYAL AGRICULTURAL SOCIETY OF ENGLAND

## Notes to the Financial Statements for the Year Ended 31 December 2010

---

### ix) Pension Fund

The Society operates a defined benefit pension scheme. The scheme was closed to new members in May 2003. In accordance with FRS 17, any actuarial surplus or deficit of the scheme is separately identified and charged in the year in which it occurs.

Where a surplus arises that is insufficient to support a buy out of the scheme by a third party, that surplus is not recognised.

For defined benefit schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Financial Activities.

Defined benefit schemes are funded, with the assets held separately from the group in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the group has a legal or constructive obligation to settle the liability.

The Society also contributes to defined contribution schemes. For defined contribution schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### x) Leased Assets

Fixed assets acquired under finance leases, including hire purchase agreements are recorded in the balance sheet as fixed tangible assets at their equivalent capital value and are depreciated over the shorter of the period of their estimated useful lives or the leasing period. Obligations under such agreements are included in creditors net of the interest element allocated to future periods. The interest element of the rental payments is charged to the Statement of Financial Activities.

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the life of the lease.

### xi) The Society's Funds

A fund is a pool of unexpended resources, held and maintained separately from other pools because of the way in which the resources were originally received or the way in which they have subsequently been treated. A fund may be either unrestricted or restricted as follows:

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the Charity.

Designated funds are unrestricted funds which have been earmarked for a particular purpose. The designation is for administrative purposes only.

Restricted funds are subject to specific conditions imposed by the donors. They may be expendable at the discretion of the trustees in furtherance of some particular object of the Charity subject to the specific conditions imposed.

Permanent endowment funds are restricted funds where the asset must be held indefinitely and cannot be expended. The income arising from the permanent endowment funds is restricted and is utilised accordingly.

The status of funds is reviewed from time to time and transfers between categories are made where appropriate.

### xii) Fixed Asset Investments

Other fixed asset investments, which are all in UK common investment funds, or held as cash deposits, are stated at market value at the period end. The Statement of Financial Activities includes the net realised gains and losses arising on disposals throughout the year and the net unrealised gains and losses arising on revaluations at the period end. Investments are revalued at the end of each quarter. Realised gains and losses are measured by comparing disposal proceeds with the most recent quarterly valuation.

**ROYAL AGRICULTURAL SOCIETY OF ENGLAND**  
**Notes to the Financial Statements for the Year Ended 31 December 2010**

**xiii) Investments in Subsidiaries**

Investments in subsidiaries are included at cost.

**xiv) Liquid Resources**

Liquid resources include sums on short term deposits, with recognised banks.

**2) Investment in subsidiaries**

The Society owns the whole issued share capital of £4 of Stoneleigh Park Limited, a company incorporated in England and Wales, which undertakes certain commercial activities allied to the Society. These include commercial lets of the exhibition and other facilities, and the operation of Stoneleigh Park.

The results of RASE and its subsidiary undertakings are summarised below for the year ended 31 December 2010. In the case of ARC & FACE, figures are shown for the eight month period ending 31 August 2010.

	<b>RASE £000's</b>	<b>Stoneleigh Park Limited £000s</b>	<b>The Arthur Rank Centre £000s</b>	<b>Farming and Countryside Education £000s</b>
Income	4,166	3,414	311	501
Expenditure	(8,500)	(3,392)	(345)	(540)
<b>Net income/(expenditure)</b>	<b>(4,334)</b>	<b>22</b>	<b>(34)</b>	<b>(39)</b>
Donation to Society	-	(22)	-	-
<b>Net (deficit)</b>	<b>(4,334)</b>	<b>-</b>	<b>(34)</b>	<b>(39)</b>
Assets	6,986	693	-	-
Liabilities	(4,307)	(678)	-	-
<b>Net assets</b>	<b>2,679</b>	<b>15</b>	<b>-</b>	<b>-</b>

The above figures do not agree to the SOFA due to consolidation adjustments.

**3) Analysis of incoming resources**

	<b>Unrestricted Funds £000s</b>	<b>Restricted Funds £000s</b>	<b>Total 2010 £000s</b>	<b>Total 2009 £000s</b>
<b>Incoming resources from generated funds</b>				
Voluntary income	859	377	1,236	1,077
Activities for generating funds	-	7	7	-
Royal Show	91	-	91	1,642
Other	573	9	582	213
Stoneleigh Park Limited	3,414	-	3,414	3,327
Property	1,314	-	1,314	1,197
Investment income				
Dividends	-	55	55	112
Interest	-	9	9	12
<b>Incoming resources from charitable activities</b>				
Membership subscriptions	124	-	124	280
Rural programme				
Rural development	48	-	48	43
Other	413	-	413	27
Arthur Rank Centre	-	41	41	123
FACE/Education	-	406	406	629
Other incoming resources	-	-	-	-
<b>Total incoming resources</b>	<b>6,836</b>	<b>904</b>	<b>7,740</b>	<b>8,682</b>

**ROYAL AGRICULTURAL SOCIETY OF ENGLAND**  
**Notes to the Financial Statements for the Year Ended 31 December 2010**

**4) Analysis of total resources expended**

	<b>Unrestricted Funds £000s</b>	<b>Restricted Funds £000s</b>	<b>Endowment Funds £000s</b>	<b>Total 2010 £000s</b>	<b>Total 2009 £000s</b>
<b>(a) Costs of generating funds</b>					
Fundraising	-	-	-	-	32
Trading expenses					
Royal Show	-	-	-	-	3,434
Other	2,207	-	-	2,207	449
Stoneleigh Park Limited	2,789	-	-	2,789	2,585
Property	572	-	-	572	435
Restructuring	178	-	-	178	214
Fundraising	-	48	-	48	-
Costs of generating voluntary income	-	18	-	18	-
	<b>5,746</b>	<b>66</b>	<b>-</b>	<b>5,812</b>	<b>7,149</b>
<b>(b) Costs of charitable activities</b>					
Grants	54	8	-	62	147
Membership services	322	-	-	322	403
Rural Programme (incl grants)	-	-	-	-	-
Rural development	507	96	-	603	337
Arthur Rank Centre	-	262	-	262	264
FACE/Education	-	506	-	506	864
	<b>883</b>	<b>872</b>	<b>-</b>	<b>1,755</b>	<b>2,015</b>
<b>(c) Governance</b>					
Chief Executive's office	34	-	-	34	11
Secretariat	12	-	-	12	7
Audit Fee	19	6	-	25	26
Board of Trustees/Committees	8	3	-	11	26
Other professional fees	-	4	-	4	6
Support costs	31	11	-	42	34
	<b>104</b>	<b>24</b>	<b>-</b>	<b>128</b>	<b>110</b>
<b>(d) Exceptional item</b>					
Disposal of buildings to LIM	2,887	-	-	2,887	-
<b>(e) Other resources expended</b>					
Stoneleigh Park development	-	-	-	-	289
Repayment of restricted fund balances on transfer to independent status:-					
ARC	-	339	-	339	-
FACE	-	203	-	203	-
Return of Funds to donor *	-	431	1,117	1,548	-
	-	<b>973</b>	<b>1,117</b>	<b>2,090</b>	<b>289</b>
<b>Total resources expended</b>	<b>9,620</b>	<b>1,935</b>	<b>1,117</b>	<b>12,672</b>	<b>9,563</b>

\* Funds held by the Society to support the work of the Arthur Rank Centre were returned to their donor, the Rank Foundation.

**ROYAL AGRICULTURAL SOCIETY OF ENGLAND**  
**Notes to the Financial Statements for the Year Ended 31 December 2010**

**5) Support costs**

The following support costs have been included within expenditure in note 4, and have been allocated to the relevant activity cost on the basis of income and expenditure.

	<b>Total 2010 £000s</b>	<b>Total 2009 £000s</b>
Secretariat	423	628
Finance/accounts	218	341
Information technology	139	230
Management	140	227
Depreciation	962	817
Marketing	107	194
Bank Charges & interest	132	-
<b>Total support costs</b>	<b>2,121</b>	<b>2,437</b>

**6) Trustee indemnity insurance and expenses**

Insurance costs of £3,360 (2009: £3,360) have been incurred to protect the charity from loss arising from the neglect or default of its trustees, employees or agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their behalf.

Trustees' expenses of £8,342 (2009: £25,436), being the costs of attending board, council and other meetings were paid to 5 trustees (2009: 7). No trustee received remuneration, with the exception of that disclosed in note 28.

**7) Employees' emoluments**

Employees' emoluments were as follows:

	<b>Total 2010 £000s</b>	<b>Total 2009 £000s</b>
Wages and salaries	1,984	2,458
Redundancy costs	10	62
Social security	173	215
Pension	60	140
Benefits in kind	7	27
	<b>2,234</b>	<b>2,902</b>
Employment costs contained within donated services	81	-
	<b>2,315</b>	<b>2,902</b>

The average number of employees, including part-time, during the year was 78 (2009: 98). The average number of full time equivalents was 67 (2009: 86).

The number of employees whose emoluments (excluding pension contributions, employers' social security costs but including benefits in kind) fell within the following bands:

	<b>2010</b>	<b>2009</b>
£60,001 to £70,000	2	2
£90,001 to £100,000	1	1
	<b>3</b>	<b>3</b>

Two of the above were members of a defined contribution scheme.

Pension contributions totalling £10,438 (2009: £17,377) were made by the group on behalf of those two employees.

**ROYAL AGRICULTURAL SOCIETY OF ENGLAND**  
**Notes to the Financial Statements for the Year Ended 31 December 2010**

**8) Tangible Fixed assets**

<b>Group</b>		<b>Freehold Land and Buildings £000s</b>	<b>Buildings held under finance lease £000s</b>	<b>Site Development £000s</b>	<b>Machinery Equipment Furniture £000s</b>	<b>Total £000s</b>
Cost or valuation	At 1 January 2010	17,349	-	3,489	3,739	24,577
	Additions	119	2,132	-	26	2,277
	Transfers to Investment Property	(2,758)	-	-	-	(2,758)
	Disposals	(14,710)	-	(3,489)	(3,231)	(21,430)
	<b>At 31 December 2010</b>	<b>-</b>	<b>2,132</b>	<b>-</b>	<b>534</b>	<b>2,666</b>
Depreciation	At 1 January 2010	<b>9,398</b>	-	<b>2,701</b>	<b>3,203</b>	<b>15,302</b>
	Provided in year	607	-	116	173	896
	Eliminated on disposals	(10,005)	-	(2,817)	(3,114)	(15,936)
	<b>At 31 December 2010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>262</b>	<b>262</b>
<b>Net book value</b>	<b>At 31 December 2010</b>	<b>-</b>	<b>2,132</b>	<b>-</b>	<b>272</b>	<b>2,404</b>
<b>Net book value</b>	<b>At 31 December 2009</b>	<b>7,951</b>	<b>-</b>	<b>788</b>	<b>536</b>	<b>9,275</b>

<b>Society</b>						
Cost or valuation	At 1 January 2010	17,349	-	3,489	3,647	24,485
	Additions	119	2,132	-	26	2,277
	Transfers to Investment Property	(2,758)	-	-	-	(2,758)
	Disposals	(14,710)	-	(3,489)	(3,139)	(21,338)
	<b>At 31 December 2010</b>	<b>-</b>	<b>2,132</b>	<b>-</b>	<b>534</b>	<b>2,666</b>
Depreciation	At 1 January 2010	<b>9,398</b>	-	<b>2,701</b>	<b>3,112</b>	<b>15,211</b>
	Provided in year	607	-	116	173	896
	Eliminated on disposals	(10,005)	-	(2,817)	(3,023)	(15,845)
	<b>At 31 December 2010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>262</b>	<b>262</b>
<b>Net book value</b>	<b>At 31 December 2010</b>	<b>-</b>	<b>2,132</b>	<b>-</b>	<b>272</b>	<b>2,404</b>
<b>Net book value</b>	<b>At 31 December 2009</b>	<b>7,951</b>	<b>-</b>	<b>788</b>	<b>535</b>	<b>9,274</b>

The value of land on which depreciation is not provided is £2,000k (2009: £2,758k). This was transferred to Investment Properties during the year.

The Society has not committed to any capital expenditure at 31/12/2010 (2009: zero).

All fixed assets are located at Stoneleigh Park.

All of the Society's buildings were disposed of during the year as part of the transaction with LIM. The Society retains the freehold of the Stoneleigh Park site, which has been transferred to Investment Properties.

**ROYAL AGRICULTURAL SOCIETY OF ENGLAND**  
**Notes to the Financial Statements for the Year Ended 31 December 2010**

**9) Fixed asset investments**

	<b>Group &amp; Society</b>	
	<b>2010 £000s</b>	<b>2009 £000s</b>
Investment properties	2,000	2,162
Other investments	141	1,856
	<b>2,141</b>	<b>4,018</b>

**a) Investment properties**

		<b>£000s</b>
Cost or valuation	At 1 January 2010	2,162
	Additions	838
	Transfers from fixed assets	2,758
	Revaluations	(758)
	Disposals	(3,000)
	<b>At 31 December 2010</b>	<b>2,000</b>

Some buildings at Stoneleigh Park were donated to the Society during 2010. The Trustees have valued these at depreciated replacement cost.

**b) Other investments**

<b>Society and Group</b>	<b>Restricted funds £000s</b>	<b>Endowment funds £000s</b>	<b>2010 £000s</b>	<b>2009 £000s</b>
<b>Listed investments at 1 January</b>	<b>319</b>	<b>1,210</b>	<b>1,529</b>	<b>2,261</b>
Disposals at opening market value	(284)	(1,143)	(1,427)	(857)
Increase in market value of investments	4	4	8	125
<b>Listed investments at 31 December</b>	<b>39</b>	<b>71</b>	<b>110</b>	<b>1,529</b>
Cash on deposit	31	-	31	327
<b>Society and Group investments at 31 December</b>	<b>70</b>	<b>71</b>	<b>141</b>	<b>1,856</b>

All listed investments are UK based Charities Official Investment Fund ("COIF") units.

Held on behalf of:

	<b>Restricted funds £000s</b>	<b>Endowment funds £000s</b>	<b>2010 £000s</b>	<b>2009 £000s</b>
Arthur Rank Fund	-	-	-	1,236
E H Hill's Bequest	-	-	-	191
Queen Victoria Gifts	-	20	20	18
Gilbey Bequest	6	2	8	7
Merchants of the Staple of England	-	3	3	3
RASE Landowner	5	12	17	16
Farm & Rural Buildings Centre	4	34	38	37
Livestock Importation	24	-	24	21
	<b>39</b>	<b>71</b>	<b>110</b>	<b>1,529</b>

**10) Current asset investments**

	<b>Group</b>		<b>Society</b>	
	<b>2010 £000s</b>	<b>2009 £000s</b>	<b>2010 £000s</b>	<b>2009 £000s</b>
Cash on deposit	-	1	-	-
	-	1	-	-

**ROYAL AGRICULTURAL SOCIETY OF ENGLAND**  
**Notes to the Financial Statements for the Year Ended 31 December 2010**

**11) Stocks**

	Group		Society	
	2010 £000s	2009 £000s	2010 £000s	2009 £000s
Catering stocks	21	10	-	-

**12) Unrealised Gains/(Losses) on investment assets**

	Unrestricted funds £000s	Restricted funds £000s	Endowment funds £000s	2010 £000s	2009 £000s
Unrealised gains at 1 January	-	24	(198)	(174)	(207)
Deduct in respect of disposals in year	-	(8)	212	204	(92)
	-	16	14	30	(299)
Net gains/(losses) on revaluation in year	(758)	4	4	(750)	125
<b>Unrealised gains/(losses) at 31 December</b>	<b>(758)</b>	<b>20</b>	<b>18</b>	<b>(720)</b>	<b>(174)</b>

Investment Management charges are not explicitly charged. They are instead absorbed within the value of the units of the Charities Official Investment Fund, and are reflected in the gains and losses in the values of the units. Accordingly it is impractical to show these costs within the Statement of Financial Activities.

**13) Debtors**

a) Amounts falling due within one year

	Group		Society	
	2010 £000s	2009 £000s	2010 £000s	2009 £000s
Trade debtors	1,113	811	587	312
Amounts owed from group undertakings	-	-	-	45
Other debtors	346	29	346	22
Prepayments and accrued income	157	187	11	98
	<b>1,616</b>	<b>1,027</b>	<b>944</b>	<b>477</b>

b) Amounts falling due after more than one year

	Group		Society	
	2010 £000s	2009 £000s	2010 £000s	2009 £000s
Other debtors	795	-	795	-
	<b>795</b>	<b>-</b>	<b>795</b>	<b>-</b>

Other debtors consist of rent free periods on properties occupied by the Group. The value of these periods has been treated as part of the consideration for the disposal of Land and Buildings to LIM. The amounts are being released to the SOFA over the duration of the rent-free periods.

**ROYAL AGRICULTURAL SOCIETY OF ENGLAND**  
**Notes to the Financial Statements for the Year Ended 31 December 2010**

**14) Creditors: amounts falling due within one year**

	Group		Society	
	2010 £000s	2009 £000s	2010 £000s	2009 £000s
Bank overdraft	-	230	-	213
Bank loans	-	289	-	289
Net obligations under finance leases	85	-	85	-
Trade creditors	472	422	158	201
Amounts owed to group undertakings	-	-	68	673
Social security and other taxes	914	122	842	58
Other creditors	189	26	189	20
Accruals	601	561	261	338
Deferred income	613	776	613	548
	<b>2,874</b>	<b>2,426</b>	<b>2,216</b>	<b>2,340</b>

**Deferred Income**

	Group £000s	Society £000s
At 1 January 2010	<b>776</b>	<b>548</b>
Released in 2010	(776)	(548)
Income deferred in 2010	613	613
<b>At 31 December 2010</b>	<b>613</b>	<b>613</b>

Deferred income represents amounts invoiced to third parties in advance of the event to which they relate, rent received in advance and donations received in advance of the work to which they relate being done.

During the year the Society entered into an interest rate swap contract to fix the interest rate on part of its bank loan in order to mitigate against interest rate risk. The loan was repaid in full in December 2010, so the swap was no longer required. The cost of closing out the swap contract was £31k.

**15) Creditors: amounts falling due after more than one year**

	Group		Society	
	2010 £000s	2009 £000s	2010 £000s	2009 £000s
Bank loan	-	3,255	-	3,255
Net obligations under finance leases	2,047	-	2,047	-
Accruals and deferred income	64	-	44	-
	<b>2,111</b>	<b>3,255</b>	<b>2,091</b>	<b>3,255</b>

The net obligations under finance leases fall due as follows:

	2010 £000s	2009 £000s
Within one year	85	289
One to two years	85	289
Two to five years	256	868
Over five years	1,706	2,098
	<b>2,132</b>	<b>3,544</b>

**ROYAL AGRICULTURAL SOCIETY OF ENGLAND**  
**Notes to the Financial Statements for the Year Ended 31 December 2010**

**16) Permanent endowment funds**

The capital funds of the Charity include the following permanent endowment funds:

Society and Group	Balance	Movements in funds			Balance
	31 Dec 2009 £000s	Transfers £000s	Returned £000s	Gains £000s	31 Dec 2010 £000s
Arthur Rank Fund	1,091	(20)	(1,117)	46	-
E H Hill's Bequest	52	(54)	-	2	-
Queen Victoria Gifts	18	-	-	2	20
Gilbey Bequest	2	-	-	-	2
Merchants of the Staple of England	3	-	-	-	3
RASE Landowner Gold Medal	11	-	-	1	12
Farm & Rural Buildings Centre	32	-	-	2	34
	<b>1,209</b>	<b>(74)</b>	<b>(1,117)</b>	<b>53</b>	<b>71</b>

The Arthur Rank Fund was established in 1990. The income from the fund was used to support the work of the Arthur Rank Centre. In connection with the independence of ARC, the fund was closed in the year and its assets returned to the original donor, the Rank Foundation.

The E H Hill's Bequest fund was established in 1896. The income funds investigation into the value and uses of rarer forms of ash in cultivation of crops for the use of stock and for human food. The fund was transferred to the unrestricted funds of the Society during the year.

The Queen Victoria Gifts fund was established in 1897. The income is used for making grants to deserving agriculturists and their families who have met with misfortune.

The Gilbey Bequest fund was established in 1896 to endow a chair at Cambridge University.

The Merchants of the Staple of England fund was established in 1927. Its income contributed to prizes in the sheep classes at the Royal Show.

The RASE Landowner Gold Medal fund was established in 1957. Its income contributed to the cost of the Bledisloe Gold Medal at the Royal Show.

In 1995, the Farm & Rural Buildings Centre (FRBC) gifted the residue of its capital to the RASE to create a fund. The income from this fund is to be used for the advancement of knowledge concerning farm and rural buildings.

**17) Restricted funds**

The income funds of the Charity include restricted funds comprising the following unexpended balances to be applied for specific purposes. All funds are active, even though their transactions may not be material within the context of these financial statements.

	Balance	Movements in funds				Balance
	31 Dec 2009 £000s	Incoming/ (outgoing) resources £000s	Transfers £000s	Gains £000s	Returned £000	31 Dec 2010 £000s
Arthur Rank Fund (note 16)	421	44	(40)	6	(431)	-
E H Hill's Bequest (note 16)	169	1	(176)	6	-	-
Queen Victoria Gifts (note 16)	1	1	-	-	-	2
Gilbey Bequest (note 16)	7	1	-	-	-	8
Merchants of the Staple of England (note 16)	1	(1)	-	-	-	-
RASE Landowner Gold Medal (note 16)	11	-	-	-	-	11
Farm & Rural Buildings Centre (note 16)	14	2	-	-	-	16
Harris Bequest 2005	3	-	-	-	-	3
Livestock Importation	23	-	-	3	-	26
NAC Staff Welfare	5	1	-	-	-	6
National Federation of Schools and Colleges	2	-	-	-	-	2
Warwickshire Rural Forum	89	(59)	-	-	-	30
Image of Agriculture	5	(2)	-	-	-	3
<b>Society Restricted Funds</b>	<b>751</b>	<b>(12)</b>	<b>(216)</b>	<b>15</b>	<b>(431)</b>	<b>107</b>
Arthur Rank Centre	373	(351)	(22)	-	-	-
Farming and Countryside Education	242	(237)	(5)	-	-	-
<b>Group Restricted Funds</b>	<b>1,366</b>	<b>(600)</b>	<b>(243)</b>	<b>15</b>	<b>(431)</b>	<b>107</b>

The Harris Bequest was established in 1990 to mark the centenary in 2005 of continuous representation on the RASE Council by members of the Harris family. The bequest is being utilised to restore many of the paintings held by the Society.

**ROYAL AGRICULTURAL SOCIETY OF ENGLAND**  
**Notes to the Financial Statements for the Year Ended 31 December 2010**

The Livestock Importation fund was established in 1972 to fund the work of the Livestock Importation Panel. The panel ceased advising government in 1977 and in 2000 permission was received from the Minister for Agriculture and Charity Commission to make grants as consistent with the original purpose as possible.

The NAC Staff Welfare fund was set up to provide funds for activities that would support the welfare of the Staff at Stoneleigh Park (formerly the NAC).

The National Federation of Schools and Colleges fund supports education on rural matters.

Warwickshire Rural Forum was established in 1999 to raise the profile of rural issues in Warwickshire as they affect organisations and the local economy.

Image of Agriculture was set up in 2003 by RASE, NFU and CLA to fund a campaign to promote the image of agriculture within England. The campaign has now ended and permission has been received from the founding members to utilise the fund in a manner consistent with the original objects of the campaign.

**18) Designated funds**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds, by the trustees, for specific purposes:

<b>Society and Group</b>	<b>Balance 31 Dec 2009 £000s</b>	<b>Outgoing resources £000s</b>	<b>Released £000s</b>	<b>Balance 31 Dec 2010 £000s</b>
RASE Louise Ryan Fund	350	(23)	-	327
Buildings	904	(77)	(827)	-
	<b>1,254</b>	<b>(100)</b>	<b>(827)</b>	<b>327</b>

The RASE Louise Ryan Fund was established in 1968 to provide training for young farm managers. The fund grants bursaries, two thirds of which are reserved for students in Cornwall, Devon and Somerset.

The Buildings designated fund was established to fund the amortisation of the accommodation block over a 20 year period. With the disposal of the block as part of the transaction with LIM, the fund is no longer required.

**19) Analysis of group net assets between funds**

Fund balances at 31 December 2010 are represented by:

	<b>Unrestricted funds £000s</b>	<b>Restricted funds £000s</b>	<b>Endowment funds £000s</b>	<b>Total 2010 £000s</b>	<b>Total 2009 £000s</b>
Tangible fixed assets	2,404	-	-	2,404	9,275
Investment properties	2,000	-	-	2,000	2,162
Investments	-	70	71	141	1,856
Net current assets/(liabilities)	223	37	-	260	(1,229)
<b>Total assets less current liabilities</b>	<b>4,627</b>	<b>107</b>	<b>71</b>	<b>4,805</b>	<b>12,064</b>
Creditors due after more than one year	(2,111)	-	-	(2,111)	(3,255)
Pension fund liability	-	-	-	-	(966)
<b>Net assets</b>	<b>2,516</b>	<b>107</b>	<b>71</b>	<b>2,694</b>	<b>7,843</b>

# ROYAL AGRICULTURAL SOCIETY OF ENGLAND

Notes to the Financial Statements for the Year Ended 31 December 2010

## 20) Analysis of net assets between funds

	Tangible fixed assets £000s	Investments £000s	Other net assets/ (liabilities) £000s	2010 Total £000s	2009 Total £000s
<b>Permanent endowment funds</b>					
Arthur Rank Fund	-	-	-	-	1,091
E H Hill's Bequest	-	-	-	-	52
Queen Victoria Gifts	-	20	-	20	18
Gilbey Bequest	-	2	-	2	2
Merchants of the Staple of England	-	3	-	3	3
RASE Landowner Gold Medal	-	12	-	12	11
Farm & Rural Buildings Centre	-	34	-	34	32
	-	<b>71</b>	-	<b>71</b>	<b>1,209</b>
<b>Restricted funds</b>					
Arthur Rank Fund	-	-	-	-	421
E H Hill's Bequest	-	-	-	-	169
Queen Victoria Gifts	-	2	-	2	1
Gilbey Bequest	-	8	-	8	7
Merchants of the Staple of England	-	1	(1)	-	1
RASE Landowner Gold Medal	-	9	2	11	11
Farm & Rural Buildings Centre	-	16	-	16	14
Harris Bequest 2005	-	3	-	3	3
Arthur Rank Centre	-	-	-	-	373
Livestock Importation	-	25	1	26	23
NAC Staff Welfare	-	6	-	6	5
National Fed of Schools & Colleges	-	-	2	2	2
Warwickshire Rural Forum	-	-	30	30	89
Farming and Countryside Education	-	-	-	-	242
Image of Agriculture	-	-	3	3	5
	-	<b>70</b>	<b>37</b>	<b>107</b>	<b>1,366</b>
<b>Unrestricted &amp; designated funds</b>					
Main Fund	2,404	2,000	(2,230)	2,174	3,999
Buildings	-	-	-	-	904
RASE Louise Ryan Fund	-	-	327	327	350
Stoneleigh Park Limited	-	-	15	15	15
	<b>2,404</b>	<b>2,000</b>	<b>(1,888)</b>	<b>2,516</b>	<b>5,268</b>
<b>Total net assets/(liabilities)</b>	<b>2,404</b>	<b>2,141</b>	<b>(1,851)</b>	<b>2,694</b>	<b>7,843</b>

**ROYAL AGRICULTURAL SOCIETY OF ENGLAND**  
**Notes to the Financial Statements for the Year Ended 31 December 2010**

**21) Transfers between RASE funds**

Transfers between funds comprise inter fund payments made for the authorised purposes of the funds and are disclosed below:

	<b>2010</b>
	<b>£000s</b>
<b>From:</b>	
Endowment	
Arthur Rank Fund	(20)
E H Hill's Bequest	(54)
	(74)
Restricted	
Arthur Rank Fund	(40)
E H Hill's Bequest	(176)
ARC	(22)
FACE	(5)
	(243)
<b>Total</b>	<b>(317)</b>
<b>To:</b>	
Unrestricted	317
<b>Total</b>	<b>317</b>

Explanations of the transfers relating to the Arthur Rank Fund and EH Hills Bequest are given in note 16. The ARC & FACE transfers relate to inter-company rent charges.

**22) Operating lease commitments**

The Group leases certain items of plant and equipment under operating leases. The minimum annual rentals under these leases are as follows:

	<b>2010</b>	<b>2009</b>
	<b>£000s</b>	<b>£000s</b>
Contracts expiring:		
Within 1 year	9	5
In 2 <sup>nd</sup> to 5 <sup>th</sup> year	16	13
	<b>25</b>	<b>18</b>

**23) Pension fund**

The Charity contributed to a Defined Benefits pension scheme, the Royal Agricultural Society of England (1978) Pension & Life Assurance Scheme. Rates are set by the Scheme actuary and advised to the Charity by the Scheme Administrator. This scheme is being accounted for under FRS17, with the annually calculated surplus or deficit on the funding of the scheme shown in the accounts, which is deducted from Unrestricted Funds in the balance sheet. The trustees believe that the scheme currently meets statutory minimum funding requirements. The Trustees note that the calculated deficit or surplus calculated under FRS17 can vary greatly from year to year depending on the assumptions made at the valuation date, but with normally little or no effect on short term cash flows.

A comparison of the fair value of the scheme assets with the present value of funding obligations gave rise to a surplus of £570k. However, a surplus can only be recognised in the accounts if it is possible for the employer to obtain a refund from the scheme. No refund is permitted until all benefits have been fully bought out. The assets are insufficient to meet the full buyout cost so it is unlikely the charity will receive a refund.

The fair value of the scheme assets has therefore been adjusted by £570k to show no surplus or deficit on the scheme.

The scheme was closed during the year.

The Charity and the scheme agreed a recovery plan on 17 December 2010. Monthly payments of £18,612 are to be made for a five year period beginning in January 2011.

A full actuarial valuation was carried out as at 1 April 2010. The results have been projected to 31 December 2010 and then recalculated based on the following assumptions:

**ROYAL AGRICULTURAL SOCIETY OF ENGLAND**  
**Notes to the Financial Statements for the Year Ended 31 December 2010**

i) The financial assumptions used by the actuary were:

	At 31 Dec 2010	At 31 Dec 2009
Rate of increase in salaries	n/a	3.60%
LPI increases for pensions in payment	3.00%	3.00%
Liability discount rate	5.50%	5.80%
Inflation assumption	3.50%	3.60%
Revaluation of deferred pensions	3.00%	3.60%
Post retirement mortality:		
- Male at age 65	87	87
- Female at age 65	90	90

ii) Major categories of scheme assets as a percentage of fair value of total scheme assets:

	Long term rate of return expected at 31 Dec 2010	Value at 31 Dec 2010 £000s	Long term rate of return expected at 31 Dec 2009	Value at 31 Dec 2009 £000s
Equities	7.00%	8,223	7.00%	7,430
Bonds	4.50%	1,195	5.50%	1,211
Property	7.00%	189	7.00%	175
Cash	2.50%	1,236	4.50%	475
<b>Total assets</b>	<b>6.20%</b>	<b>10,843</b>	<b>6.70%</b>	<b>9,291</b>

The expected return on scheme assets was determined by considering the expected returns available on the assets underlying the current investment portfolio. Expected yields on bonds are based on gross redemption yields at the balance sheet data whilst the expected returns on the equity and property investments reflect the long-term real rates of return experienced in the respective markets.

iii) Total value of scheme:

	31 Dec 2010 £000s	31 Dec 2009 £000s
Fair value of scheme assets	10,843	9,291
Present value of funding obligations	(10,273)	(10,257)
Surplus/(Deficit) in scheme	570	(966)
Restriction on recognition of surplus (see p 29)	(570)	-
<b>Net pension asset/(liability)</b>	<b>-</b>	<b>(966)</b>

iv) Actual return on scheme assets:

	31 Dec 2010 £000s	31 Dec 2009 £000s
Expected return on scheme assets	628	511
Actuarial gain/(loss)	766	1,172
FRS 17 adjustment	(570)	-
<b>Actual return on scheme assets</b>	<b>824</b>	<b>1,683</b>

**ROYAL AGRICULTURAL SOCIETY OF ENGLAND**  
**Notes to the Financial Statements for the Year Ended 31 December 2010**

v) **Changes in fair value of scheme assets:**

	<b>31 Dec 2010 £000s</b>	<b>31 Dec 2009 £000s</b>
Scheme assets at the beginning of the year	9,291	7,863
Expected return on scheme assets	628	511
Employer contributions	615	120
Employee contributions	9	29
Benefits paid	(466)	(404)
Actuarial gain/(loss)	766	1,172
<b>Scheme assets at the end of the year</b>	<b>10,843</b>	<b>9,291</b>

vi) **Changes in the present value of the defined benefit obligation:**

	<b>31 Dec 2010 £000s</b>	<b>31 Dec 2009 £000s</b>
Scheme liabilities at the beginning of the year	10,257	8,681
Interest cost	583	556
Employee contributions	9	29
Service cost	35	108
Benefits paid	(466)	(404)
Actuarial loss/(gain)	(145)	1,287
<b>Scheme liabilities at the end of the year</b>	<b>10,273</b>	<b>10,257</b>

vii) **Analysis of the amount that has been included in the Statement of Financial Activities**

	<b>31 Dec 2010 £000s</b>	<b>31 Dec 2009 £000s</b>
Expected return on pension scheme assets	628	511
Interest on pension scheme liabilities	(583)	(557)
Current service cost	(35)	(108)
Actuarial gains/(losses)	911	(115)
FRS17 adjustment	(570)	-
	<b>351</b>	<b>(269)</b>

viii) **The actuarial gain / (losses) recognised in the Statement of Financial Activities are as follows:**

	<b>31 Dec 2010 £000s</b>	<b>31 Dec 2009 £000s</b>
Actuarial gain/(loss) recognised in the SOFA	341	(115)
Cumulative actuarial gains	922	581

**ROYAL AGRICULTURAL SOCIETY OF ENGLAND**  
**Notes to the Financial Statements for the Year Ended 31 December 2010**

**ix) History of experience gains and (losses) calculated under FRS17:**

	31 Dec 2010	31 Dec 2009	31 Dec 2008	31 Dec 2007	31 Dec 2006	31 Dec 2005
Scheme liabilities (£000s)	(10,273)	(10,257)	(8,681)	(9,945)	(10,619)	(10,723)
Scheme assets (£000s)	10,273	9,291	7,863	9,880	9,478	8,652
<b>Surplus/(Deficit) (£000s)</b>	-	<b>(966)</b>	<b>(818)</b>	<b>(65)</b>	<b>(1,141)</b>	<b>(2,071)</b>
<b>Experience adjustment on pension scheme assets: (£000s)</b>	766	1,172	(2,524)	(23)	528	1,055
Percentage of the scheme assets	7%	13%	(32%)	0%	6%	12%
<b>Experience adjustment on pension scheme liabilities: (£000s)</b>	239	(471)	545	783	-	-
Percentage of the present value of the scheme liabilities	2%	4%	6%	8%	0%	0%

**x) Analysis of the projected amount to be charged to the Statement of Financial Activities in 2011:**

	£000s
Estimated service cost	0
Estimated interest cost	555
Expected return on assets	(668)
<b>Estimated total cost</b>	<b>(113)</b>

**24) Reconciliation of net (outgoing) resources to net cash(outflow)/inflow from operating activities**

	2010 £000s	2009 £000s
<b>Net (outgoing) resources from operating activities</b>	<b>(4,932)</b>	<b>(881)</b>
Disposal of subsidiaries	542	-
Depreciation charges	896	817
Donations of fixed assets	(838)	(180)
Returns on investments and servicing of finance	68	(51)
Difference between payments to Pension Fund and FRS17 charge	(625)	33
Loss on disposal of fixed assets	2,946	-
Bank interest payable	132	-
Decrease/(increase) in stocks	(11)	48
Decrease in debtors	(334)	110
Increase/(decrease) in creditors	404	288
<b>Net cash (outflow)/ inflow from operating activities</b>	<b>(1,752)</b>	<b>184</b>

**ROYAL AGRICULTURAL SOCIETY OF ENGLAND**  
**Notes to the Financial Statements for the Year Ended 31 December 2010**

**25) Reconciliation of net cash flow to movement in net debt**

	<b>2010 £000s</b>	<b>2009 £000s</b>
<b>Increase/(Decrease) in cash in period</b>	<b>773</b>	<b>343</b>
Cash inflow from decrease/(increase) in debt and lease financing	1,412	(744)
Cash inflow from decrease in liquid resources	(297)	(214)
<b>Movement in net debt in the period</b>	<b>1,888</b>	<b>(615)</b>
Net debt at 1 January	(3,287)	(2,672)
<b>Net debt at 31 December</b>	<b>(1,399)</b>	<b>(3,287)</b>

**26) Analysis of net debt**

<b>Notes</b>	<b>31 Dec 2009 £000s</b>	<b>Cash flow £000s</b>	<b>Non-cash movements £000</b>	<b>31 Dec 2010 £000s</b>
Cash at bank and in hand	159	543	-	702
Bank overdraft	(230)	230	-	-
	<b>(71)</b>	<b>773</b>	<b>-</b>	<b>702</b>
Debt due after one year	(3,255)	3,255	(2,047)	(2,047)
Debt due within one year	(289)	289	(85)	(85)
	<b>(3,544)</b>	<b>3,544</b>	<b>(2,132)</b>	<b>(2,132)</b>
Investments: cash on deposit	328	(297)	-	31
	<b>(3,287)</b>	<b>4,020</b>	<b>(2,132)</b>	<b>(1,399)</b>

Non-cash movements consist of a finance lease inception.

**27) Contingent liabilities**

Royal Agricultural Society of England is a member of the RASE VAT group registration. It has entered into a guarantee for the indebtedness for all group companies with HMRC. At the year end, this potential liability was £74k (2009: £65k).

Commission has been paid to an investment adviser during the year. There is currently a dispute with this adviser as to the total fee he is entitled to. The amount claimed is £881k, although to date no formal claim has been issued by the adviser. The Trustees consider that the probability of his claim succeeding (should he issue proceedings) is slight. Therefore the liability has not been accrued for in these accounts.

**28) Related party transactions**

Henry Cator, Chairman of Council and a Trustee, was paid an honorarium of £11,000 (2009: £3,450) in accordance with the Royal Charter.

Advantage is taken under FRS 8 not to disclose transactions with other Group entities as the entities are wholly owned subsidiaries. Balances with Group undertakings are disclosed within notes 13 and 14 to the financial statements.

The Society rents premises to ARC & FACE, its former subsidiary charities, and supplies them with various support services. Interest is payable on outstanding balances. Transactions between 1 September 2010 and 31 December 2010 were as follows:

	<b>ARC £000s</b>	<b>FACE £000s</b>
Goods and services supplied	81	43
Interest payable by RASE	6	6
Amount due from RASE at 31 December 2010	5	5

The Royal Agricultural Society of England (1978) Pension & Life Assurance Scheme took an All Assets Debenture over the Society's assets on 17 December 2010.

Principal Office

Stoneleigh Park, Warwickshire CV8 2LZ

## **Professional Advisers to the Society**

Auditors	Baker Tilly UK Audit LLP St Philips Point Temple Row Birmingham B2 5AF
Banker	Coutts & Co 440 Strand London WC2R 0QS
Charity & Governance	Martineau No 1 Colmore Square Birmingham B4 6AA
Insurance Brokers	AON Risk Services Limited 158 Edmund Street Birmingham B3 2HB
Investment Consultants	COIF CCLA Investment Management Limited 80 Cheapside London EC2V 6DZ
Pension Consultants and Administrators	PFP Group 3 Windsor Court Clarence Drive Harrogate HG1 2PE
Pensions Investment Managers	Schroder Investment Management (UK) Ltd. 31 Gresham Street London EC2V 7QA
Solicitors (non property)	Cobbetts LLP No 1 Colmore Square Birmingham B4 6AJ
Solicitors (property)	Ashurst Broadwalk House 5 Appold Street London EC2A 2HA

## Honorary Trustees, Officers and Council

### Patron

Her Most Gracious Majesty The Queen

### President

Sir Mike Tomlinson CBE (appointed October 2010)  
George Weston (October 2009- September 2010)

### Chairman of Council

H.G. Cator OBE, FRICS, ARAgS, DL

### Honorary Trustees

H.R.H. The Prince Philip, Duke of Edinburgh, KG,KT,OM,GBE  
H.R.H. The Prince of Wales, KG, KT, GCB  
H.R.H. The Duke of Gloucester, KG, GCVO  
H.R.H. The Countess of Wessex  
R.F.H. Cowen, CBE  
Sir Francis Pemberton, CBE,DL  
The Lord Plumb of Coleshill, DL, FRAgS

## THE COUNCIL

### Vice Patrons

The Lord Clinton  
Sir Stuart Hampson  
The Earl of Home, CVO,CBE  
The Lord Iliffe  
The Rt Rev'd A.J. Russell, DPhil, ARAgS  
Sir David Samworth, CBE, DL (retired 30 Sep 2010)  
D.L.U. Scott, FRAgS  
The Earl of Selborne, KBE, FRS  
Colonel E.C. York, TD,DL, FRAgS

### Vice Presidents

T.A. Copas, FRAgS  
C.R. Ferens, MA (Cantab), MBE, FRICS, DL  
The Hon Richard Godber,MBE, DL  
P.J. Houghton Brown  
J.H. Kent, FRAgS  
M.P. Lee  
R.T. Matson  
C.B. Montgomery, BAg  
P.J.F. Stovold  
J.H.E. Thomas  
C.H. Williamson

# ROYAL AGRICULTURAL SOCIETY OF ENGLAND

---

## Members of Council (Divisional Representatives)

L.E. Baugh	Norfolk	P. Richards	Cornwall
Miss E.F.C. Buchanan	East Sussex	A.J.W. Ryman	Staffordshire
Sir John Cave, Bt, DL	Devon	S.D. Scott	Shropshire
R. E. H. Clutterbuck	North Yorkshire	B. Sheriff	Hertfordshire
A.J. Edwards	Derbyshire	Air Commodore S. Skinner	Greater London
R.C. Emmett	Buckinghamshire	M.S. Spencer MP, ARAgS	Nottinghamshire
C.M. Frost	Northamptonshire	J.W. Stanley, FRAgS	Leicestershire
J.E. Godfrey OBE, BSc, FRAgS, FloD	East Yorkshire	D.E. Stout, MRICS, MRAC	Worcestershire
R.S. Gueterbock	Hampshire	P.J.F. Stovold	Surrey
J.McR. Harris, FRICS, BSc	Cumbria	C.W. Thomas	West Midlands
B. Hewlett	Bedfordshire	G.N.Trehane FRAgS	Dorset
A.D.C. Hinde, MRAC	West Yorkshire	D.H. Tupper, DL	West Sussex
B.W. Kerr	Suffolk	G.W. Vickers, FIAgrM, ARAgS	Cheshire
P. Merricks, MBE, DL	Kent	G.R. Wall, MRICS, FAAV,	
R.F.B. Milligan-Manby ARAgS, NSch	Lincolnshire	MIAgM, MRAC	Herefordshire
A.F. Pemberton, DL, MA, FRAgS	Cambridgeshire	T.H. Wheatley-Hubbard	Warwickshire
Councillor C.M. Rayner	Berkshire	Mrs S.White	Lancashire

## Nominated Members of Council

Major M.M.B. Adams	P.R. Hutton, OBE, FRICS,FAAV
J. Alvis, MBE, FRAgS	T.H. Hutton, FCA
Ms M. Appleby (retired 5 May 2010)	P. Kendall
P.T.A. Bell, MRICS, ABIIBA	R.C. Lane-Nott, CB, FCMI, FIAgrE
G. Burgess	J.A.T. Lee, ARAgS
J.E. Caldecott Nicholson	Dr D. Llewellyn BSc, MSc, DBA, ACIS, FIAgrE
H.G.Cator, OBE, FRICS, ARAgS, DL	M.G. McAllister
W. Cumber	J.W. Matthews
Sir Donald Curry, CBE, FRAgS	C. R. Moody, OBE, BSc, Med, FColIP
J Dykes, FRAgS	W.R. Morrow, CBE, FRAgS
J.C.T. Forsyth , FRAgS	P.J.L. Nixon
E.C.H. Friend	H. Salwey, CBE, TD, DL
D.A.Gardner (appointed 29 Sep 2010)	Mrs P.A. Stanley ARAgS
Professor C Gaskell	C.A. Strawson
R. Geldard	Professor C. Thomas, BSc, PhD
Sir Ben Gill, CBE	Professor E.J. Wibberley, PhD, FRAgS
Dr M. Home	Ms T. Wickham, FRAgS
S.D. Howe, FRAgS	Sir Graham Wilkinson, Bt (retired 28 March 2010)
G.N. Hurst, MRICS	W.R.Worsley, FRICS

## Honorary Vice Presidents

Mrs. A.M. Barton, OBE	C.G. Payne
Mrs E.F.C. Buchanan, MA (Oxon)	W.S.C. Richards, OBE, DL, FCMA, FBIM, FCA
N. Coward, FRAgS	M.M. Rosenberg, CBE
Miss E Creak	R. Skelton, FRAgS
Mrs J.P.T. Eady	Professor J. M. Stansfield MBE, BSc, FRAgS, FIAgM
Professor C.W.N. Miles, CBE, MA, FRICS	The Duke of Wellington, KG, LVO, OBE, MC, DL
Sir David Naish, DL, FRAgS	The Hon. Mrs Wheeler-Bennett, DStJ, DL
J.J. North, BSc, MS, Dip.Agric., FIBiol	A.S. Young, FCIl