



ANNUAL REVIEW 2022

DRIVING INNOVATION



ROYAL
HIGHLAND &
AGRICULTURAL
SOCIETY OF
SCOTLAND



ROYAL HIGHLAND & AGRICULTURAL SOCIETY OF SCOTLAND



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Cattle parade at the 2022 Royal Highland Show

CHAIRMAN'S INTRODUCTION

A year of milestones and innovation

The purpose of RHASS is, in essence, to promote and protect the interests of rural Scotland. It is this that drives everything we do as a Society.



Jim Warnock, Chairman

Following two very challenging years, I am pleased to report on our successes this year in showcasing our industry, supporting key organisations in our sector, and making great strides in strengthening RHASS as a progressive and vibrant charity.

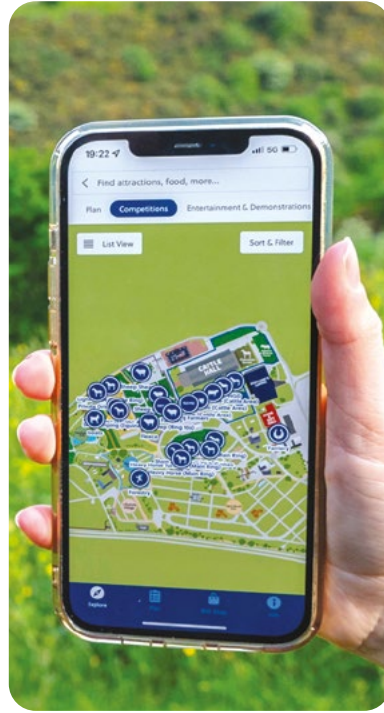
There have been some significant milestones for our Society this year. We have celebrated 200 years since the first Royal Highland Show with a magnificent illuminations roadshow launching in Edinburgh and making its way around Scotland. *The Royal Highland Show: Illuminated* highlighted how far the Show has progressed from its humble beginnings in 1822. Our return to a full 'Highland' was welcomed with a fantastic Show, including two sold-out days, that once again brought our industry and the public together to celebrate the best in food, farming, and rural life.

In September, we mourned the loss of our long-serving patron, Her Majesty Queen Elizabeth II. We were very fortunate to receive Her Majesty at the Show on a number of occasions and we hope to welcome His Majesty King Charles, a huge advocate for and supporter of Scottish agriculture and rural life, in the future.

The Board's plan for digital transformation, having been accelerated by the pandemic, continued with innovations this year including RHS TV, the RHS app and online platforms for



Shetland Pony classes at the Show



The RHS App



The Royal Highland Show:
Illuminated

ticketing, trade stands and exhibitor applications. This digital-first approach strengthens the charity's operations and helps us to be more responsive to our members, customers and partners while becoming more sustainable and efficient.

Outwith digital the Society continues to look at ways to be more efficient and cost effective in its drive to to be fit for purpose both now and in the future.

Our commercial arm, the Royal Highland Centre (RHC), has made a significant contribution to the group's finances this year. Having pivoted from being a successful events venue to hosting an NHS vaccination centre and logistics hub for Royal Mail during the pandemic, the RHC returned with a strong event calendar in 2022. This was enabled by the significant investment RHASS has made in the Ingliston site over the last decade, demonstrating the impact of prudent long-term decision-making.

Education is another important part of the Society's remit, and it has been brilliant to see the work of the Royal Highland Education Trust, supported by RHASS, resume in full over the last year. From school farm visits to the Discovery Tent at the Highland Show, these activities help grow the minds of youngsters and let them see what farming really is all about.

The Society continues to be active and increasingly so in promoting agricultural and rural affairs. This is covered in more detail in the Chief Executive's report.

Finally, I offer my thanks to RHASS's strong Board of talented directors, all volunteers, and staff who have continued to make considered, and sometimes difficult, decisions that are necessary for an organisation of this size and structure. We will continue to steer the charity through the turbulent times ahead.

I am very much looking forward to my first Royal Highland Show as Chair and my commitment to RHASS members, directors, staff, and stakeholders is that I will work tirelessly to ensure the Society continues to innovate and inspire.

JIM WARNOCK
Chairman



**ROYAL
HIGHLAND &
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SCOTLAND**

A robust organisation

Driving innovation

Part of the remit of the charity, from its founding days, is to support innovation in the sector. It is important that RHASS also innovates and evolves to ensure its continued sustainability and to create a more robust and efficient charity.

Key highlights included:

- Launched RHS TV and the RHS app, bringing the Show and Scottish agriculture to a global audience and improving the experience of showgoers.
- Introduced a new ticketing strategy to drive efficiency and improve visitor experience.
- Continued with hybrid meetings, including the AGM, improving accessibility, and boosting attendance at meetings.
- Invested in a board portal to support effective decision-making and streamline administrative support.
- Developed email communications with members to inform them more easily about news and member benefits.



Behind the scenes at RHS TV

Maximising the value of RHASS assets

Being situated next to the City of Edinburgh and its airport is a significant benefit in terms of visitor access to the Royal Highland Show and other events at the Royal Highland Centre. However, for a large part of the early 2000s, uncertainty over airport expansion impacted on investment in the site. In the last decade RHASS initiated a longer-term and ongoing infrastructure programme covering electricity, drainage, water, IT infrastructure, and building maintenance.

A significant investment was also made in the new members' Pavilion at Ingliston, which opened in 2020. This investment underpins RHASS's strategy to maximise income from the Royal Highland Centre for the benefit of the charity.

The Royal Highland Centre, home to the Royal Highland Show, continues to be Scotland's largest indoor and outdoor venue, delivering some of the biggest events in the country and welcoming over 1 million people every year.

The income generated by the Royal Highland Centre provides funding for the Society to continue to carry out its charitable activities.

RHASS will continue to invest in the Showground over the coming year to ensure income is maximised from this valuable asset and widen the charity's impact and influence.

The Society will also seek to maximise the value of its general asset base to ensure the long-term viability and sustainability of RHASS.

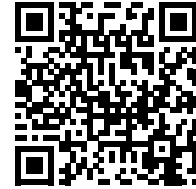


Events have taken place at the Pavilion over the past year



The finest livestock on parade

Scan this code for a behind-the-scenes look at the *Royal Highland Show: Illuminated* campaign



Engaging with rural communities

Celebrating key milestones

200-year anniversaries are rare, and it was very special to be able to celebrate 200 years since the first Royal Highland Show along with a return to some normality following a very difficult couple of years. To mark this occasion, the *Royal Highland Show: Illuminated* campaign was developed.

This month-long tour covered eight regions in Scotland with key moments of the Show's history beamed on to buildings across the country. The tour stretched from Eastgate Shopping Centre in Inverness down to Jedburgh Town Hall, and from Edinburgh City Chambers over to Dumfries House near Cumnock. After such a long time when gathering together was not possible, it was fantastic to meet up again with members and supporters across Scotland.

Nearly 2,000 people flocked to see this beautiful and evocative piece, celebrating the Show, the work of the Society and reinforcing the importance of agriculture and the vital role it plays.

Bringing back the Show

The cancellation of the Royal Highland Show in 2020 and the exhibitor-only Royal Highland Showcase in 2021 meant the loss to the agricultural community of what is, for many, a once-a-year opportunity to connect with friends at the Show.

Looking back, it is easy to forget just how much uncertainty remained in early 2022 about large-scale events and restrictions, but RHASS was determined that the 2022 Show would go ahead. Following a two-year break and with far greater planning complexity than prior to the pandemic, the 2022 Royal Highland Show was a great success with fantastic competition, celebrations of new technology, two sold-out days and the much-needed opportunity for all to gather together once again. After such a long gap, there were some inevitable areas for improvement and all the feedback and learning is being taken forward into planning for the 2023 Show.

Supporting mental health charities

Those in the rural and agricultural sector are at higher risk of experiencing poor mental health for a number of reasons including stress, isolation, and uncertainty. RHASS helps to fund and support the work of mental health charities that provide vital emotional, financial, or practical support to farmers and those working in rural Scotland. These include charities and initiatives such as RSABI, where RHASS has provided grant-funding for its helpline for many years, and Farmstrong Scotland, where the Society provided seed-funding in 2021 and continues to provide leadership, in kind support and assistance to help launch this essential programme for Scotland's rural community.



CHARITABLE REMIT

£130,000

awarded in support of mental health and wellbeing in the last five years



David Leggat, Chair of RSABI, with Chris McVey, RSABI Welfare Manager, and Lorraine Caven of RSABI with the 24/7 freephone helpline number

The animals are the stars of the Show



A charity driven by purpose

Staying true to our charitable remit

Since 1784, the Royal Highland & Agricultural Society of Scotland has been the respected standard-bearer for farming and the rural sector in Scotland.

Although the challenges of the sector have evolved, the vital role of farming has remained the same and RHASS's purpose is as relevant now as ever.

Supporting the sector

RHASS is one of Scotland's oldest charities. As well as organising and hosting the Royal Highland Show to demonstrate the best of food, farming and rural life, RHASS provides awards and grants, supporting other rural and agricultural charities and organisations and recognising individual achievement.

The Board was delighted to be able to increase the funding available for awards and grants in-year, reflecting the Society's ongoing commitment to the sector.

RHASS actively supports new and upcoming industry talent, including sponsoring a Nuffield Scholar every year. In 2022 the Society co-sponsored scholar Vic Ballantyne of Clynelish, Brora, along with the Worshipful Company of Farmers. Vic began a worldwide tour that will result in a study titled: *Too fat? A study on female livestock in areas with extreme seasonal variability*.

In 2022, RHASS continued with its long-standing support for organisations like the Royal Highland Education Trust, RSABI, Moredun and the Scottish Association of Young Farmers' Clubs. The Society also provided financial support for Scottish shows to attend the Association of Show and Agricultural Organisations (ASAO) conference.



The British Horse Society received funding for large animal rescue equipment

Other notable grants include funding a two-year scientific research project into equine grass sickness; research looking into socio-economic and environmental aspects of farming and food production in the North Highlands and funding for large animal rescue equipment to be used across Scotland.

“ I have gained so much from the opportunity to travel around the world, speaking with and learning from the best in the business. Many thanks to RHASS for their support.



Vic Ballantyne, Nuffield Scholar co-funded by RHASS

Funding awarded in 2022

Cash grants were paid to the following bodies during the year:

	2022 / £	2021 / £
Royal Highland Education Trust	144,028	136,487
RSABI	16,000	16,000
SAYFC	10,083	4,825
RHASS Presidential Initiative	10,000	21,500
British Horse Society – funding for large animal rescue equipment	8,555	–
Nuffield Scholarship	6,500	6,500
Horsescotland – National Equestrian Awards	5,000	–
Glasgow Veterinary School	4,950	–
Northern Highland Initiative – research into food production in North Highlands	4,500	–
Scottish Agritourism – grant for delegates to Vermont Conference	3,250	–
Moredun Institute	3,000	10,000
Edinburgh Veterinary School	3,000	–
ASAO Conference – funding for Scottish Shows to attend	1,895	–
Shearing Grant	1,260	–
Food and Agriculture Stakeholders Taskforce	934	–
Oxford Farming Conference – grant for delegates	750	800
Farmstrong – Movember	–	50,000
Clydesdale Horse Society	–	5,000
Woman in Food & Agriculture	–	3,500
Roy Watherston Memorial Trust – audit fee	–	1,000
Fife Show – Quaich for Champion of Champions in honour of bicentenary	–	800
Others – Miscellaneous	3,959	2,950
	227,664	259,362

Expenditure on certificates and medals for long service, skills and academic achievement was as follows:

	2022 / £	2021 / £
Long service certificates and ploughing medals	5,733	5,525
Other medals	3,432	3,432
Total grants paid	236,829	268,319

Over £167,000 in prize money was awarded to Royal Highland Show competitors

Looking to the future

Looking ahead to 2023, the Committee which oversees the Society's awards and grants programme has recommended a further significant increase in the awards and grants budget along with an additional funding programme specifically aimed at local Scottish shows, recognising the importance of these to our sector and communities.

Fundraising for our charity

As a charity, RHASS is focussed on raising funds in order to fulfil its charitable remit, including funding the awards and grants.

In addition to enabling income generated by the Royal Highland Centre and the Royal Highland Show, RHASS has built on previous years of fundraising success and launched its Bicentennial Fund to support four key areas:

- Mental Health
- Environmental / Sustainability
- The Next Generation
- Women in Agriculture

Flock to the Show

RHASS also announced the launch of the *Flock to the Show* campaign in 2022, with the full campaign taking place in 2023. Plans for a large-scale public art trail, featuring over 40 decorated sheep, are well underway.

Decorated by artists from across the country, each member of the flock will feature a cause related to Scottish agriculture, with a QR code to find out more information. The flock will gather at Ingliston during the Royal Highland Show in June 2023, which will be the only time the public will see the sculptures together in one place, forming a family-friendly trail to follow around the Showground.

Following the Golden Shears World Sheep Shearing & Woolhandling championships, taking place at the Show, the flock will be auctioned at a special gala event to raise funds that will go towards supporting the RHASS Bicentennial Fund.



Young handler at the Royal Highland Show



The largest equestrian show takes place at the RHS



Best foot forward – a goat handler at the Show



The Flock to the Show initiative will tour Scotland during 2023



The Flock to the Show sheep

Celebrating 200 years of the Royal Highland Show

Two hundred years since the first Show called for a number of special features to mark the significant milestone.

Embracing innovation

2022 marked several pivotal changes in the organisation of the Royal Highland Show. The challenges of the pandemic over the last couple of years accelerated plans already in place for a digital-first strategy.

This strategy saw a move to online-only tickets for the Show, with set capacities for each day, to help streamline efficiencies and move the Show in-line with other major events. This change was mirrored across other aspects of the Society, including member communications.

The new pre-booking system for Show tickets also had significant benefits, including helping to stabilise and lower risk for Show income – and leading to the first sell-out Show days. The ability to manage capacity per day also ensured a better visitor experience overall. Just 1,000 shy of 2019's record attendance figures, 194,000 visitors were welcomed through the Showground gates in 2022.

A new ticketing partner was also appointed following the 2022 Show. The new partnership with See Tickets was well received following the launch of early-bird tickets in December 2022, with an enhanced booking experience now established for those purchasing tickets.

RHS TV

Another important part of the digital strategy was the development and expansion of the RHS TV platform. Launched during the competitor-only 2021 Show so that people could still watch the action online, RHS TV was met with acclaim and expanded upon for the 2022 Show.

Presenters Dougie Vipond and Sarah Mack hosted RHS TV, presiding over hours of coverage over the course of the four days, featuring everything from livestock classes to cooking demonstrations.

With 200,000 streams of the live video content viewed from over 80 countries around the world, RHS TV has made a significant contribution to RHASS's charitable remit of promoting Scottish agriculture to a wide audience.

Royal Highland Show app

2022 also saw the launch of the official Royal Highland Show app. The app is designed to provide the best way of navigating around the Showground, allowing visitors to plan their day to avoid missing out on any of the action.

Featuring an interactive map of the Ingliston Showground, users can access an overview of what is going on in each area and be provided with wayfinding routes across the site.

The app also enabled Show organisers to highlight in real time specific events and attractions, such as the start of the Grand Parade, celebrity chef demonstrations or the show jumping Grand Prix. Users could also access links to live results from the Showground as well as stream RHS TV straight to their devices.

Other initiatives included:

- A big wheel so visitors could enjoy a bird's eye view of the Showground.
- A commemorative gin created in partnership with Avva Gin, featuring botanicals from the eight RHASS member regions.
- The Showground's all-weather equestrian ring was renamed the 'Jubilee Ring' in honour of the late Queen Elizabeth II's Jubilee year.
- Exclusive merchandise on sale, including a pyjama set designed by Scottish designer Karen Mabon.
- New beer partnership with Innis & Gunn.
- The Highlands Presidential Initiative showcased their region with Vikings and a Harris tweed loom.
- The Show's food hall, *Scotland's Larder*, was re-designed to offer a better visitor experience.
- A team of 100 volunteer Showmakers helped Show-goers make the most of their visit.



Sarah Mack presenting RHS TV



Showmakers helping visitors at the Showground



First Minister Nicola Sturgeon attended the Show



Special edition gin made from botanicals from across Scotland

Funding our charitable remit

People often think that the main role of RHASS is to organise the Royal Highland Show – but first and foremost RHASS is a charitable organisation.

The Royal Highland Show is RHASS's biggest charity fundraising event and its loss, combined with the loss of events at the Royal Highland Centre over the last two years was a challenge.

However, the RHASS team rallied and sought new sources of revenue generation, and that has culminated in fundraising events and activities making an enthusiastic comeback last year. While challenges certainly remain, innovations are being made across all areas of the Society to help the charity remain resilient.

Generating more to do more

RHASS

The later months of 2022 saw an increase in RHASS membership fees, including the first increase to Life Membership fees since 2012. It was heartening to receive a positive response to this move, with members at the General Meeting supporting the proposal.

As a charity, RHASS operates for the public benefit and has to consider fee levels, including the cost of providing member benefits and ensuring access to membership is not unduly restricted.

Royal Highland Centre

As Scotland's biggest indoor and outdoor venue, the Royal Highland Centre plays an important role in generating enabling income that allows the charity to do more.

In 2022 the venue saw significant success, bouncing back from the turbulence of the previous two years. 2022 saw the Royal Highland Centre's reputation as a world-class music venue cemented.

A packed summer music schedule, which included hosting the newly-revamped Connect Festival and a series of concerts, ensured that the Royal Highland Centre had its most profitable year ever – providing approximately £1.5 million to the Society.

Hosting the Big Top series of concerts in the evening of Royal Highland Show days, including a performance by Scottish rock legends Biffy Clyro, formed part of a long-held ambition to extend the entertainment offering for visitors over those four days in June.

This roster of high-profile music events laid the foundations for an exciting 2023, which will include performances from The Killers and Lewis Capaldi.

The Pavilion at Ingliston also saw its first full year of events in 2022. Providing a base for

“The Royal Highland Centre was the perfect setting for the return of Connect Festival. It provides a purpose-built event site that is readily accessible by public transport, making it easy for festival goers to attend and supporting our ambition to deliver a more sustainable festival, now and into the future.”

**Geoff Ellis, CEO of DF Concerts & Events,
organisers of Connect Festival**



An exciting addition to Edinburgh’s music scene



Plenty of space to relax and take in the atmosphere



An engaging festival space



CHARITABLE REMIT

£167,000

Provision of venue hire and ancillary services supporting agri and rural businesses

members during the Royal Highland Show, this exciting new venue also played host to a series of other events throughout the year, including the SAYFC awards night. As we grow this venue's client base, the Pavilion will have a positive impact on the charity year-round, increasing the attractiveness of the Royal Highland Centre as a venue.

Last year was also a year of continuing investment into the Showground. Following the 2022 Show the decision was made to action a six-figure investment into the wi-fi and fibre internet connection across the Showground. This investment will continue into 2023.

The Royal Highland Centre provides support to the communities it serves, as a trading subsidiary of RHASS. An estimated £167,000 of in-kind support was provided in-year in the form of venue hire and ancillary services supporting agricultural and rural businesses.

Royal Highland Show

As well as ticket sales, the Royal Highland Show delivers funding for the charity in numerous other ways. This includes sponsorship – the Show offers hugely attractive sponsorship opportunities, engaging a wide demographic of visitors.

2022 marked 41 years of partnership between the Royal Highland Show and the Royal Bank of Scotland, making it one of the longest-standing corporate partnerships in the world.

Meanwhile there was a significant increase on sponsorship last year overall. Historically, sponsorship around the Show raised around £450–550k, however last year this figure leapt up to £870k – showing just how valued the Show is in terms of retail and business opportunities.



CHARITABLE REMIT

£372,000

Value of tickets given away to children aged 15 and under at the 2022 Royal Highland Show

Significant new sponsorships that came on board include ScotBeef, Hoggs of Fife, Turcan Connell and Galloway & McLeod Ltd.

The wider economic impact of the Royal Highland Show was also demonstrated in 2022 with the release of an independent report detailing the event's contribution to Edinburgh's economy, which was calculated at £39.5 million annually – more than Edinburgh's Hogmanay.

The funds raised by the Show are ploughed back into RHASS's charitable activities, as well as going towards investment into the Show itself. This includes an ongoing series of investment in the Showground, and also providing education opportunities and free tickets for young people during the Show.

The Royal Highland Show remains one of the only large events in the UK to provide free tickets for children aged 15 and under, with over 40,000 given away in 2022. This is an important part of the Society's charitable remit as it seeks to create a more connected rural and urban audience and inspire the next generation of consumers.



GIFT IN KIND

RHASS is very grateful for the gift in kind it receives from sponsors, totalling over

£350,000



A win at the Highland is worth all the effort



Showcasing the latest innovations in machinery



Cooking with primary produce at the Show



The Pavilion – an inspiring events space 360 days of the year

CHIEF EXECUTIVE'S REPORT

A future to look forward to

2022 was a great year for many reasons. Public events got back on track, including our very own Royal Highland Show. We also celebrated an incredible milestone – marking 200 years since the very first Show took place.

This Annual Report tells the story of a lot of successes and innovations. It also details the numerous hardships and challenges we faced this year.

Last year was one of planting seeds and laying strong foundations for growth. I am looking forward immensely to 2023 – it makes a change to say that after the uncertainty of the last couple of years!

Looking ahead, we will have more milestones to celebrate, including the 240th anniversary of the Society in 2024. We are a unique organisation in that our remit remains as relevant as it was way back in 1784 and we will continue to support and safeguard rural Scotland and all associated industries and communities.

Diversity of thought is necessary for any successful organisation as is its ability to adapt to the challenges of the modern world. The diversity of the RHASS board brings a wealth of knowledge and life experiences. We will continue to work on ensuring our board is reflective of our membership base so we can truly represent their interests.

Change can often be feared rather than embraced and our sector is no different in how it adapts to change. The Farmstrong initiative, which RHASS supports, has been set up to help the sector cope with the ever-changing environment and remain resilient. This is important as we face modern farming challenges. RHASS itself will have to adapt and change as it faces up to its own future challenges.

Alan Laidlaw, Chief Executive





An event for all the family



Young handler at the Royal Highland Show



Equestrian excellence

Increasing interest in climate, food and water means that now, more than ever, those who look to effect change don't always understand the vital role farming and land managers have to play in being part of the solution.

RHASS continues to ensure that those who seek to influence the operations and activities of rural Scotland understand the challenges and opportunities the land brings.

We will work collaboratively with the widest possible stakeholder group to ensure our sector is recognised for its role in achieving a thriving rural economy.

Our reach extends across many levels, through RHET reaching our young people, to engaging the wider public at the Royal Highland Show, and by influencing and engaging policy makers everywhere. This work is often unseen and sometimes slow to evolve, but it's true to our roots and will always be a focus.

There are lots of exciting things in the pipeline for RHASS in the coming year. It will be a year of continuing investment across the board to make our assets work harder and help fund the Society's charitable remit.

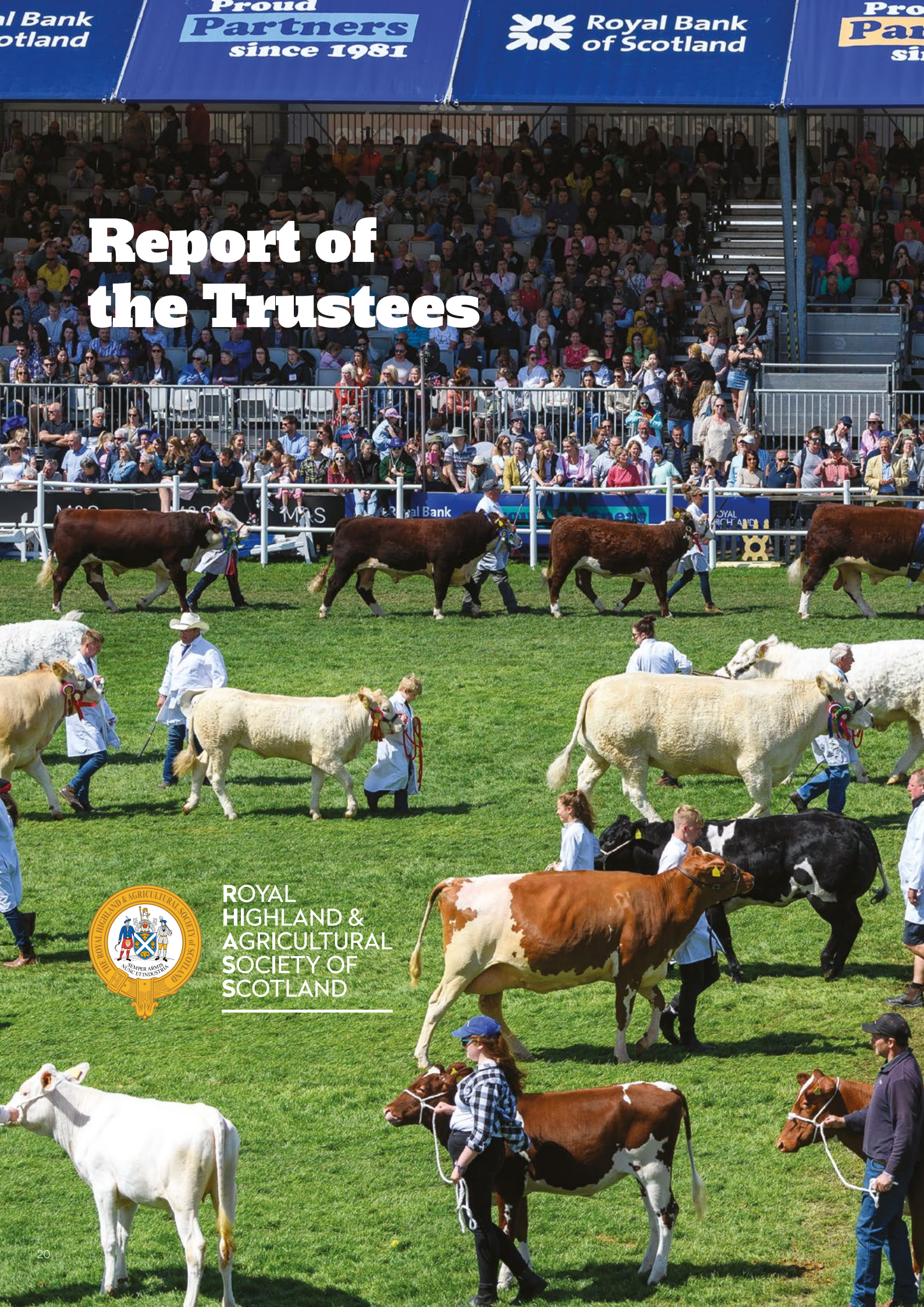
It will also be a year of looking outward at our impact on rural Scotland so we can continue to broaden our horizons – we know our value, but

we have plans to see it quantified which will be fantastic to share later in the year.

The RHASS team are rolling up their sleeves for another year of hard work doing all we can to promote, protect and advance agriculture and rural Scotland. I am hugely excited about our *Flock to the Show* campaign which will bring rural causes and issues to the fore, while reminding the general public that agriculture is one of the lynchpins that hold together their everyday lives.

We want you, and everybody in our sector, to come with us and build on the positive developments of 2022. Rural Scotland has never been more in demand, and we will do everything we can to ensure those who live and work within it are reaping the benefits.

ALAN LAIDLAW
Chief Executive



Proud Partners since 1981

Royal Bank of Scotland

Pro Partners since

Report of the Trustees



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The 2022 Royal Highland Show Grand Parade

Report of the Trustees

The Trustees of The Royal Highland & Agricultural Society of Scotland (RHASS) present their Annual Report for the year ended 30 November 2022.

The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Royal Charter, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) 2019.

Reference and Administrative Information

RHASS, founded in 1784, is registered with the Office of the Scottish Charity Regulator (OSCR) under Scottish Charity Number SC004561. The Trustees and Officers are listed on pages 28 and 29 as is RHASS's principal address and the names and addresses of RHASS's professional advisers.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Royal Highland and Agricultural Society of Scotland is a Society constituted by Royal Charter dating from 1787, last amended in 2012. The Royal Charter is supplemented by the Bye-Laws, last amended in 2021.

Governing Body and recruitment of Directors

The Board of Directors is responsible for the strategic management and governance of the Charity. The Board consists of:

- 32 Directors directly elected by the members of RHASS, representing the whole of Scotland divided into eight Electoral Areas;
- The President and four Vice Presidents and up to 20 Directors selected because of their known interest in or experience of the business of RHASS, appointed by the members at the Annual General Meeting (AGM) which was last held in April 2022;
- The Honorary Treasurer and Honorary Secretary appointed by the Board who are *ex officio* Directors.

These office bearers form the Board of Directors of RHASS and are, by nature of their office, charity trustees.

As a body, the Directors represent the RHASS membership of around 16,000, back to pre-2020 levels.

Vacancies on the Board are advertised annually to Members. The criteria required for election and the rules governing the procedures for appointment of both Members and Directors are contained in RHASS's Royal Charter and Bye-Laws. Following changes to the Bye-Laws agreed at an EGM in December 2021, the processes around Director elections have been streamlined and Director elections now take place using an online platform, hosted by an independent provider of election services, simplifying the process and reducing cost.

The Board has the power to fill casual vacancies that arise in the year.

Training for Directors

Once elected or appointed, Directors are provided with an induction pack including the Governing Documents, information on the role, responsibilities and liabilities of the Directors and the remit of Board Committees.

Each year, prior to the new governance session, new and existing Directors are invited to an induction day with the members of the Executive Committee, fellow Directors and RHASS's senior management.

Ongoing training opportunities are provided to Directors throughout their term, including the IOSH (Institution of Occupational Safety and Health) Managing Safely course. During this financial year, RHASS Directors also undertook training on subjects including board leadership, governance, finance, investment and risk management. 3rd-year Directors undertake a guidance and mentoring role for new Directors and media training is provided for Office Bearers.

Organisational structure and management

The Trustees of the Charity are legally responsible for the overall management and control of RHASS and meet at least seven times a year. The work of directing the implementation of the Board's strategy is carried out through the Executive Committee and the Board Committees, which meet regularly throughout the year.

The Executive Committee, which helps the Board of Directors properly discharge its duties with regard to the strategic oversight, direction and control of RHASS, normally meets around 11 times a year and consists of up to eight Directors: the Chairman, Immediate Past Chairman/Chairman Designate in alternate years, Honorary Secretary, Honorary Treasurer and up to four Directors (elected by the Board to serve a three-year term, renewable once on re-election) along with a maximum of two Honorary Directors. It is advised by the Chief Executive and may appoint external specialist advisers.

There are eight other Board Committees, these are:

1. Audit Committee, chaired by Colin Crosby, independent Chair (John Seed to July 2022)
2. Development & General Purposes Committee, chaired by Andrew Rennie
3. Finance Committee, chaired by the Honorary Treasurer, John Sinclair
4. Office Bearers Committee, chaired by the Chairman, Jim Warnock (Bill Gray to July 2022)
5. Partnerships Committee, chaired by Heather Wildman (Andrew Hornall to July 2022)
6. Public Relations & Education Committee, chaired by Will Downie (Susan Lawrie to July 2022)
7. Remuneration Committee, chaired by the Honorary Treasurer, John Sinclair
8. Risk Management, Health & Safety Committee, chaired by Gordon Sutherland

As RHASS's governance year runs from July and its financial year runs from December, the Committee Chairs listed first are those in post from July 2022, with previous post-holders in brackets.

The Chair of each of these Committees reports to the Board of Directors and the Committees make decisions within the parameters of delegated authority and make recommendations to the Board for approval.

Group structure and relationships

RHASS has a wholly-owned trading subsidiary, Highland Centre Ltd (HCL, company number SC265245), which facilitates third-party events at the Royal Highland Centre to generate income to support RHASS as its parent charity. The activities of this company are consolidated into the financial statements of RHASS. As outlined in the Annual Report and Financial Review sections, HCL demonstrated strong performance in year, returning £1.5m to RHASS in 2022.

The Royal Highland Society Development Trust (Scottish charity number SC024206) has also been consolidated within these financial statements as it is controlled by RHASS. RHASS administers the Trust and the Trust requires RHASS's consent to appoint new trustees.

The activities of the Royal Highland Education Trust (RHET, company number SC123813 and Scottish charity number SC007492) are not consolidated on the basis that RHASS does not control RHET. RHET is an independent charity with a separate board of trustees, of which two trustees are appointed by RHASS from a maximum of twelve. RHASS provides support functions such as payroll and other back-office functions; the strategic direction of RHET is controlled by the independent Board of Trustees.

The Roy Watherston Memorial Trust (Scottish charity number SC007609) has a separate board of trustees, is administered by RHASS and is not consolidated within these financial statements.

The Scottish Agricultural & Rural Development Centre (SARDC) is treated as an associate and accounted for using the equity method. An associate is an entity, being neither a subsidiary nor a joint venture, in which the Society holds a long-term interest and where the organisation has a significant influence. The Society considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The Society holds $\frac{3}{7}$ th of the Ordinary share capital of SARDC (see note 21).

Key Management Personnel and Remuneration

The Trustees consider the Board of Trustees, the Chief Executive, the Director of Operations and the Society Secretary to comprise the key management personnel of the Charity in charge of directing and controlling the organisation and running and operating it on a day-to-day basis.

Under the Bye-Laws, in line with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and in the best interests of the charity, members of the Executive Committee may be paid an allowance when on RHASS business.

RHASS has a very particular governance structure, with Directors drawn from its membership representing eight geographical areas across Scotland. Directors commit a great deal of time to the Society on a voluntary basis and, as a result of the nature of the Society's work, membership and regional representation, a number of Directors have significant challenges in being away from their own businesses. Being able to remunerate members of the Executive Committee, who require to commit a very significant amount of time to RHASS, enables the Society to attract and retain the very best talent to the Board and Executive Committee.

No other Trustee is remunerated. Details of Trustee remuneration and expenses are disclosed in note 16. Details of related party transactions are disclosed in note 31.

The pay of RHASS's Chief Executive, the Director of Operations and the Society Secretary, along with that of other members of the Senior Management Team and pay policy for the wider staff team, is reviewed annually by the Remuneration Committee, which makes recommendations to the Executive Committee, to which staffing matters are delegated. Pay is normally increased with reference to average earnings, taking into account relevant benchmarks. As a charity, it is essential that RHASS is able to attract and retain appropriately qualified and experienced staff without paying more than is necessary. The particular challenges faced by businesses and individuals this year in terms of significant increases in inflation, cost of living and recruitment and retention were reflected in RHASS deciding to award an interim pay increase in June, ahead of the normal review at the end of the financial year.

Key Management Personnel remuneration is disclosed in note 15 to the accounts.

Risk Management

The Board of Directors is responsible for ensuring that there are effective risk management and internal control systems in place to manage the major risks that could affect RHASS. Detailed consideration of such risks is delegated to the relevant Committees, assisted by the Chief Executive and the management team. Risks are identified, assessed and controls established and their effectiveness kept under review throughout the year.

The charity categorises risks into strategic and operational risks under various headings including financial, infrastructure, political and legal, social factors, technology, competition and markets, stakeholder-related factors, environmental, human resources.

Following a detailed review of risk in-year, the Directors (trustees) have identified the following as being the principal risks and uncertainties facing the charity and its subsidiary undertakings. A summary of the plans and strategies for managing those risks are set out against each risk.

1. *Cyber security* – In common with all organisations, RHASS faces an increased risk in terms of data, and wider cyber, security. A senior manager has been appointed with lead responsibility for data privacy and security. A cybersecurity group, which includes a number of senior staff, reviews key risks to the business from a digital, physical and people perspective in relation to cybersecurity. Training and guidance is

provided to staff. RHASS has strong technical defences in place, which are kept under regular review and RHASS holds appropriate insurance cover.

2. *Loss of mandate to operate* – this overlaps with reputational risk and reflects the impact on the charity and its subsidiary undertakings of loss of charitable status, loss of public confidence or loss of public entertainment licences. Along with the relevant mitigations against reputational risks, compliance with charitable requirements is kept under review and third party events are managed under an appropriate contractual and policy framework. An investigation of RHASS’s social impact, to complement the recent economic impact report, has been commissioned.
3. *Economic risk* – RHASS is aware of the potential impact of the current economic environment on its income and expenditure. The charity has invested in its systems to improve efficiency and improve communications with key stakeholder groups; put in place a new ticketing strategy to de-risk that income stream; raised membership fees; renewed its focus on fundraising and sponsorship and keeps interest rate risk under review. RHASS’s trading subsidiary, Highland Centre Limited (HCL), has strengthened its focus on margin from third party events.
4. *Reputational risk* – the Society is a high-profile organisation both as a result of the nature and size of its membership and the type of events operated by RHASS and its trading subsidiary, HCL. RHASS engages with key stakeholders, has engaged a PR consultancy, monitors media and social media and has invested in key risk areas that may impact on reputation including facilities and the infrastructure needed to deliver modern events.
5. *West of Edinburgh development* – the Society has invested and continues to invest heavily in the Showground and site-wide infrastructure at Ingliston to ensure it can continue to attract events to the site and deliver them effectively, enabling the Society to deliver its charitable objectives. Further change to the local area is expected as the western urban fringe of the city moves rapidly towards Ingliston, presenting both opportunities and risks to the Society. A new working group has been set up to develop a strategic plan to address these opportunities and risks.
6. *Degradation of facilities* through lack of strategic investment leading to loss of income through HCL and a negative impact on the Royal Highland Show. Due to economic and social circumstances since 2020, investment in the site has been on a shorter term or reactive basis. Investment is being made in areas identified as being a priority for this year, including infrastructure, facilities and connectivity. A longer-term investment plan is being developed alongside a funding strategy.
7. *Loss of key skills and knowledge* on the Board and within the staff team. Induction and training are provided to the Board and senior Office Bearer roles have a designate position where an individual is supported by the incumbent in the year prior to them taking on a role. The senior management team have undertaken leadership training, a new Future Leaders Group has

been implemented to develop and support those in the next level of management and training and development opportunities are offered to all staff. To mitigate the risk of losing key staff, an interim pay award was also agreed within the year, recognizing the impact of the cost of living crisis and some risks particular to RHASS including its location on the edge of Edinburgh and the specialist nature of many of its roles.

8. *Sustainability* – RHASS is committed to reducing its environmental impact and the Board is committed to ensuring the sustainability of the Society and the Royal Highland Show. RHASS has already taken action in a number of ways including reducing water and energy use through its programme of infrastructure works; introducing a new ticketing strategy which, amongst other benefits, means resources can be planned more efficiently for the Show; moving to email communications with members, significantly reducing cost as well as the environmental impact of printing and posting and engaging a waste contractor that ensures maximum recycling of all waste on our Ingliston site. As part of the strategic planning process, consideration is being given to installing electric vehicle charging points and other carbon reduction measures.
9. *Increased activism* – there is a risk to RHASS and the Royal Highland Show from some negative campaigning against agriculture. As well as public safety mitigations, RHASS seeks to support balanced conversations and discussions around agriculture, bringing together key groups and stakeholders in a safe space for debate.

The key risk controls used by RHASS include:

- Business Risk Register to ensure identification and understanding of key risks and that appropriate and effective mitigation measures are in place.
- Comprehensive strategic planning, budgeting and management accounting.
- A framework of financial and non-financial controls.
- Governance framework including a governance calendar for meeting planning, terms of reference, reporting lines and delegated authority. An internal audit was commissioned in-year to review the operational structure of the charity to ensure it remains fit for purpose.
- Matters identified for action by Directors are maintained in a register and progress reported regularly back to the Board.
- Health and safety audits and reports.
- Training for Directors and staff in Health & Safety, Data Protection, Trustee responsibilities, fraud prevention and detection and other relevant matters including governance, finance and leadership matters.
- Succession planning and development for key staff roles, and Board roles such as Chairman, Honorary Treasurer and Honorary Secretary.
- Appropriate types and levels of insurance. RHASS regularly and critically reviews its insurance cover to assist as a tool for risk management.

Through the risk management processes established for RHASS, the Board of Directors is satisfied that the major risks identified have been appropriately mitigated. The risk register is regularly reviewed and updated as necessary.

The processes of risk management within the Society are being reviewed and this will be a focus for internal audit as part of that rolling programme of work.

Reserves Policy

RHASS has considered the risks to which it could be exposed and the reserves required, taking into account its current and future liabilities. RHASS holds unrestricted designated reserves for one purpose which is set out in note 25.

The balance on unrestricted reserves after the above designation is £16,182,533 (2021: £18,743,277) much of which relates to land and property held at Ingliston. In line with OSCR Guidance that a charity should maintain adequate reserves to ensure its ability to deliver its charitable objectives, this is considered sufficient to satisfy RHASS's policy of holding sufficient reserves to fund the cost of at least three months of RHASS's activities.

OBJECTIVES AND ACHIEVEMENTS

RHASS's Royal Charter and Bye-Laws define its name, objectives, powers, constitution and system of election of Directors, in addition to defining their duties and those of RHASS's staff. Its objectives are defined in Clause 2 of the Royal Charter as follows:

- The advancement of education
- The advancement of citizenship and community development
- The advancement of heritage, culture and science
- The advancement of environmental protection and improvement
- The advancement of animal welfare

Review of Achievements and Performance

The Royal Charter sets out the ways in which the charity shall seek to act in furtherance of those objectives. These are set out below along with what has been done and what has been achieved as a result of the charity's work. A number of outputs advance more than one objective but are highlighted under only one.

Creatively advance the interests and priorities of rural communities and land-based industries

- Each year, RHASS showcases one of the geographical regions within Scotland where the Royal Highland Show would traditionally have been held when it travelled annually, before it moved to Ingliston. In 2022 it was the turn of the Highlands and Islands and the theme was "Our Natural Capital", highlighting renewables, peatland, tourism, Harris tweed and the region's fantastic food and drink and rural businesses.
- Farmstrong Scotland – at the end of the prior financial year, RHASS provided £50,000 to Farmstrong Scotland, match-funded by Movember UK to set up a new programme, based on the successful initiative in New Zealand, with a focus on the wellbeing agenda for farmers and rural communities. In the current year, RHASS continued to support the set-up phase of Farmstrong Scotland.

- Through its awards and grants programme¹, RHASS funded research into equine grass sickness and the socio economic aspects and environmental and sustainability aspects associated with farming and food production specifically in the North Highlands of Scotland.
- RHASS also funded the British Horse Society to purchase specialist equipment for the Scottish Fire and Rescue Service to use for large (farm and equine) animal rescue in partnership with both Scottish vet schools.
- In support of its charitable objectives, RHASS provides access to its venues to organisations and businesses connected to its charitable activities free or at a much-reduced rate. In the year under review this is estimated to be worth around £167,000.
- Member engagement – RHASS has continued to invest in its membership systems and communications. As well as improving efficiency and reducing costs, this has also helped the charity to communicate more regularly with its members about things that are of interest to them.
- RHASS's support of the Gaelic language dates back to the early days of the Society and RHASS provides a medal and monetary award to the Gaelic Learner of the year, chosen annually by An Comunn Gàidhealach, organisers of the Royal National Mòd.

Disseminate knowledge of agriculture and allied industries to farmers and the community at large

- The Royal Highland Show is RHASS's biggest charity fundraising event and is also a very significant part of how RHASS promotes an understanding of food, farming and rural life to the wider public, with 55% of visitors to the RHS being urban.
- As a main funder of The Royal Highland Education Trust (RHET), RHASS supports RHET's work to deliver curriculum-linked educational activities and experiences for Scotland's young people. Through the last two years, new digital opportunities have been developed and RHET now provides a mix of face-to-face and online opportunities to school children and teachers across Scotland. As well as central funding, RHASS awarded a further £10,000 to provide Early Years Boxes for use by the RHET Countryside Initiatives across Scotland.
- RHASS funds an annual scholarship through the Nuffield Farming Scholarships Trust, providing the scholar with the opportunity to research topics of interest in farming, food, horticulture or rural industries.
- RHASS supports attendance at the Oxford Farming Conference by a scholar and a SAYFC representative along with RHASS attendees including Directors and staff.
- 1,468 total media hits featuring the Royal Highland Show were achieved between May and July with an estimated total reach of 221 million.

Encourage good husbandry, conservation, rural employment, training, craftsmanship, forestry and long service in such activities

- RHASS presents long-service awards to individuals who have worked in the industry for the same employer for over 30 years. Recipients receive a medal, a certificate and two free tickets to each Royal Highland Show. This year 88 awards (2021:66) were presented to individuals

¹ Financial details of the awards and grants made in year can be found on page 9 and in note 18

in the land-based and rural industries representing a total of 3,598 years' service.

- RHASS supports an academic grant scheme with the Glasgow School of Veterinary Studies and the Royal (Dick) School of Veterinary Studies to provide a monetary award to students undertaking summer-time studies which will be of benefit to Scottish agriculture or equestrianism. The awards, of up to £3,000 per annum per institute, are given to those students selected by each University who will be undertaking a project during their summer break which will be considered to be of benefit to rural Scotland.
- RHASS provides academic achievement award medals to students at Glasgow School of Veterinary Studies, the Royal (Dick) School of Veterinary Studies, and University of Stirling.
- RHASS provided support for the Scottish Shearing Circuit for those competing at the 6 Nations Shearing Championships and also supported five delegates to attend the Vermont Agritourism conference.

Assist, financially or otherwise, and confer and co-operate with agricultural, rural, horticultural, forestry, scientific, educational, charitable, cultural and other societies, institutes and other entities in Scotland and elsewhere (including, without prejudice to the foregoing generality, support for The Royal Highland Education Trust)

- As noted above, RHASS is a significant long-term funder of RHET and also provides back-office support on leadership, finance, governance, training and education and administration.
- RHASS continued its long-standing support for RSABI, with the first year of a new 3-year award to improve accessibility and enhance standards for RSABI's helpline and outreach service.
- RHASS continued support for a number of key sector organisations including the Scottish Association of Young Farmers' Clubs, Moredun and the Roy Watherston Memorial Trust.
- RHASS provided financial support to Scottish shows to attend the Association of Show and Agricultural Organisations conference, which was hosted at Ingleston. RHASS also continues to host the Scottish Shows Forum which enables Scottish agricultural show organisers to come together, share best practice and learn from one another. RHASS facilitates the Forum to share best practice, enable knowledge transfer among local show teams and support their common goal of educating the public about the origins of their food.

Co-operate with government departments and other organisations concerned with or interested in agriculture, food and rural affairs

- RHASS Directors and staff attend numerous events, debates and conferences throughout the year to ensure its members' views and interests, and those of Scottish agriculture, are represented. This includes involvement in the Event Advisory Group and input to national government on a variety of matters in connection with rural affairs, the Oxford Farming Conference, NFUS Annual General Meeting and various agricultural events and conferences.

- RHASS engages regularly with Visit Scotland and Event Scotland to further its charitable objects and also with the Edinburgh Business and Policy community to ensure its interests as an organisation are well understood in Edinburgh, and also to ensure that rural topics and viewpoints are regularly involved in policy discussions and debates where they wouldn't otherwise be.
- RHASS's Directors and management team are represented on various industry groups including the SAYFC, Royal Agricultural Society of the Commonwealth, Royal Highland Education Trust, the Council for Awards of Royal Agricultural Societies (CARAS), and many others. RHASS also supports a number of sector organisations including RSABI, the Scottish Association of Young Farmers' Clubs (SAYFC), Nuffield Farming Scholarships Trust, the Moredun Foundation and the National Rural Mental Health Forum. As well as providing direct grants and awards, RHASS also provides support in kind to the agricultural and wider rural community including providing complimentary tickets to the SAYFC to facilitate their involvement in the Show.
- RHASS has provided venue and meeting support for the Food & Agriculture Stakeholders Taskforce (FAST).
- RHASS and RHET regularly engage in a variety of Government meetings and groups, such as the Agriculture and Rural Development (ARD) Stakeholder Group and other working groups under the guidance of Mairi Gougeon, Cabinet Secretary for Rural Affairs and Islands.
- RHASS and RHET continue to play a key role in a number of steering committees and groups, including Women in Agriculture and the sectoral climate change groups, supporting recommendations to benefit rural communities, Scottish agriculture and wider related industries.

Hold and support shows, trade fairs, exhibitions, conferences or other events relating to (i) livestock and other animals, (ii) agricultural and other machinery and implements and (iii) agricultural and rural produce.

- As noted throughout this report, following a gap of two years, 2022 saw the welcome return of the Royal Highland Show as RHASS celebrated 200 years since the first Show along with the spectacular RHS: Illuminated, which travelled round Scotland.
- RHS TV was developed from the online streamed RHS Showcase in 2021, bringing the best of Scottish food, farming and rural life to a global audience alongside a full Royal Highland Show.
- The Technical Innovation Awards, one of our longest-running awards, continued with winners from 2020, 2021 and 2022 being presented with their awards at the Royal Highland Show, with the competition having successfully continued throughout the pandemic.
- RHASS has a three-year agreement to sponsor the horsescotland awards; horsescotland is the national organisation for all equestrian sports and activity in Scotland.

Investment Policy and Performance

The portfolio of listed investments managed by Smith & Williamson and held via the Royal Highland Society Development Trust was liquidated, on the Trustees' instruction, on 17th March 2020 to minimise further losses. No further investments have been made in the current year and the portfolio retains a small cash balance.

The Society maintains a portfolio of investments in relation to restricted funds as described at note 21.

The Trustees' primary objectives, when investing, are to invest the assets in such a way as to maximise capital value through a combination of capital growth and income generation, subject to an acceptable level of risk in order to continue to provide a sustainable flow of funds to support charitable activities. This is achieved by agreeing and monitoring appropriate benchmarks and performance targets, allowing early withdrawal of funds, if necessary, without penalties but accepting that the timing of the withdrawal may reflect lower market values. The investment time frame is in excess of five years. The Trustees adopt a Medium Risk profile, whereby the investment portfolio will normally have a greater allocation to equities than fixed interest securities and cash deposits. This profile assumes a higher volatility and capacity for loss than those with a greater allocation to fixed interest securities than equities.

Financial Review 2022

The year to November 2022 was challenging financially for the Society primarily due to the cost of living crisis and economic factors that have driven our cost basis upwards. However, we were delighted to deliver the 2022 Royal Highland Show as normal post pandemic and some of our challenges were offset by an extremely successful year for Highland Centre Limited as it attracted and retained non-event business such as Royal Mail and NHS vaccinations and delivered some fantastic live events.

The Royal Highland Show was delivered in a tight time frame given the ever-changing landscape in early 2022 with continued livestream broadcasting taking the excitement of the show to a global audience alongside the return of the live event.

Though overall income has recovered to £11m (2021: £8.2m) the overall deficit for 2022 is £1.2m (2021: £0.8m) reflecting the impact of the cost of living crisis. Adjusting the deficit for depreciation and loan interest results in positive EBITDA of £0.1m (2021: £0.5m). Total funds value is £16.9m (2021: £19.4m), the movement in funds reflects the operating deficit of £1.2m and negative revaluation of our investment property by £1.4m.

A breakdown of the 2022 income is presented at notes 1–6. Membership revenues (£0.6m) and sponsorship (£0.7m) have improved year-on-year and we are extremely grateful for the support of our members during these challenging times.

Turning to the balance sheet; the total fixed assets of £26.1m (2021: £28.4m) reflect additions in year of £0.1m and the depreciation charge of £1.0m (2021: £1.1m) and negative revaluation of the investment asset by £1.4m.

Current assets have decreased largely due to Cash at bank reducing to £2.6m (2021: £4.3m). This is largely due to the impact of the cost of living crisis on our cost base and the impact of interest rate increases on our bank loans.

The debtor and creditors balances falling due in less than one year reflects large trading activity outstanding at 2021 year-end being cleared in the year. The creditors falling due in more than one year is now classified under Long Term liabilities. The value of £2.4m (2021: £2.4m) is the result of the change in accounting policy in the past few years in relation to the life membership amortisation (£1.4m) and reclassification of lease premiums for Moxy (£0.5m) and Secure AirParks (£0.5m).

Loan repayments resumed in mid-2021 and in 2022 this resulted in a reduction in our loan balance to £8.7m (2021: £9.3m). Future loan liabilities are shown at note 24. Loan interest increased significantly from £143k to £299k in the year due to interest rate increases.

Looking forward to 2023, we are planning a full Royal Highland Show again and welcoming significant committed demand for our event facilities through 2023 and beyond. A strategy for the medium and longer-term period is being developed to ensure the charity remains on a sustainable financial footing. We continue to undertake cost-containment measures. Taken along with the charity's substantial asset base, the Directors, therefore, believe that the financial outlook is positive and are confident that the organisation can meet its liabilities as they fall due therefore these accounts have been prepared on a going concern basis.

Plans for Future Periods

RHASS is committed to being a sustainable, dynamic and progressive membership organisation playing a supportive and influential role in a thriving and innovative rural economy in Scotland.

RHASS's Board has plans to revise the organisation's strategy and is seeking to maximise use of the Society's assets to fulfil its charitable objectives. As well as the changes arising in the last two years, the Society will have a greater focus on sustainability and the drive to net zero and to support both the events and rural sectors to that aim.

To ensure the financial stability of the organisation, RHASS will continue to seek to increase income and contain costs, including exploring new income streams within the charity and the group.

During the year internal auditors were appointed to examine and report on a number of operational areas. The appointment is initially for three years. The purpose of this is to give assurance to the Board and indeed the members that the governance of the Society is in line with current and evolving best practice. The first report focussed on organisational structure and efficiency. Agreed recommendations will be implemented.

The focus on improving systems and processes to make the organisation more efficient and effective will continue, as will investment in infrastructure, technology and digital resources and our people.



JIM WARNOCK
Chairman

13 April 2023

Trustees, Officers and Advisers

The Directors of The Royal Highland & Agricultural Society of Scotland are the Charity Trustees of The Royal Highland & Agricultural Society of Scotland.

Listed below are those Charity Trustees who were in office at the end of the financial year 2022.

President

Ian Duncan Millar

Vice Presidents

Ronnie Black
Ewan Pate FRAGS
George Taylor
Linda Tinson

Chairman

William G Gray (to 15 July 2022)
James C Warnock (from 15 July 2022)

Chairman Designate

James C Warnock (to 15 July 2022)

Immediate Past Chairman

William G Gray (from 15 July 2022)

Honorary Secretary

James Logan

Honorary Treasurer

John Sinclair

Honorary Treasurer Designate

Dennis Bridgeford (from 15 July 2022)

Honorary Vice President

Les Davidson (from 15 July 2022)

Area Directors

Aberdeen

Christo Shepherd
Eric A Mutch
Andrew Rennie
David Buchanan

Lothian

Louise Elder
William G Gray
James Logan
Jackie McCreery

Borders

Gordon Gray
Rob Livesey
Neil Thomson
Tom Tennant

Dumfries & Galloway

Jim Hastings
Aylett Roan
Ian Beck
Hugh McClymont

Highland

Robbie Newlands
Martin MacDonald
Dennis Bridgeford
Tom Henderson

Perth

Fiona Roebuck
Susan Lawrie
D Bruce Lang
Kay Adam

Stirling

Anne Logan
Andrew Hornall
Gordon Sutherland
James C Warnock

Strathclyde

Alexander C Wilkie
David CS Alexander
Keith Campbell
Alex Bankier

Extraordinary Directors

Neil Wattie
Ann Redpath
Brian Yates
John Anderson
John Dowell
Grant John Turnbull
Sandy Pirie
Heather Wildman
John Owen
Bryce Sloan
Will Downie
John Sinclair
Bill Arnot
Kath Dun
Sarah Mackie
Alistair Kenneth Sutherland

British Agricultural and Garden Machinery Association (BAGMA)

Alasdair Straker

Agricultural Engineers' Association (AEA)

Kenny Wilson

The following Honorary Directors were in office at the end of the financial year

Julian Pace
Sandy Hay

Chaplain

The Very Reverend Angus Morrison

RHASS's governance year differs from its financial year and the following individuals also served during the year.

President

Ewan MacDonald

Vice Presidents

Andrew Shepherd
Rod MacKenzie (to 4 February 2022)
Jane Cumming (from 4 March 2022)
Isobel McCallum
Sandy Cumming

Honorary Vice President

Martin Hall

Chaplain

Reverend Derek Brown

Directors

John Seed (to 15 July 2022)
William Ritch (to 15 July 2022)
Barclay Hamilton (to 15 July 2022)
William Hamilton (to 15 July 2022)
Ashley Spence (to 15 July 2022)
Peter Moss (to 15 July 2022)
James Porter (to 15 July 2022)
Alison Logan (to 15 July 2022)
Donald Harvey (to 15 July 2022)
Philip Benzie (to 15 July 2022)
Matthew Currie (to 15 July 2022)
Scott Brown (to 28 July 2022)

Management Team

Chief Executive

Alan Laidlaw

Society Secretary

Marie Livingstone

Director of Operations

Mark Currie

Finance Director

Stephen Uphill (to 12 June 2022)
David Webster (from 1st December 2022)

Partnership & Fundraising Manager

Alisdair Caulfield

Royal Highland Education Trust

Executive Officer
Katrina Barclay

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Independent Auditor

Azets Audit Services
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Edinburgh EH3 8BL

Solicitors

Shepherd & Wedderburn LLP
5th Floor
1 Exchange Crescent
Conference Square
Edinburgh EH3 8UL

Actuary

JLT Benefit Solutions Ltd
Bond House
The Bourse
Boar Lane
Leeds LS1 5EN

Insurance Brokers

Marsh Brokers Limited
Orchard Brae House
30 Queensferry Road
Edinburgh EH4 2HS

Planning Advisers

Ryden
7 Exchange Crescent
Conference Square
Edinburgh EH3 8AN

Property and Rating Advisers

Avison Young
Quayside House
127 Fountainbridge
Edinburgh EH3 9QG

Public Relations Consultants

Represent
57 Calton Road
Edinburgh EH8 8FJ

Statement of Trustees' Responsibilities in respect of the Financial Statements

The Charity's Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The law applicable to charities in Scotland requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing the financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the applicable Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Royal Charter (as amended). The Trustees are also responsible for safeguarding the assets of the Charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the 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.

Approved by the Trustees and signed on their behalf by:



JIM WARNOCK
Chairman

13 April 2023

Showjumping at the Royal Highland Show



Independent Auditor's Report to the Trustees of The Royal Highland & Agricultural Society of Scotland for the year ended 30 November 2022

Opinion

We have audited the financial statements of The Royal Highland & Agricultural Society of Scotland (the 'charity') and its subsidiaries (the group) for the year ended 30 November 2022 which comprise the consolidated and charity Statement of Financial Activities, the consolidated and charity Balance Sheets, the consolidated Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 30 November 2022 and of the group's and charity's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Review, other than the financial statements and our Auditor's Report thereon. The trustees are responsible for the other information contained within the Annual Review. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the Annual Review is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept by the charity; or
- the charity financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Statement of the Trustees' Responsibilities set out on page 30, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Independent Auditor's Report to the Trustees of The Royal Highland & Agricultural Society of Scotland for the year ended 30 November 2022 (continued)

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

The extent to which the audit was considered capable of detecting irregularities including fraud Irregularities, including fraud, are instances of noncompliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the charity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the charity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise noncompliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with the trustees, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and taxation, data protection, antibribery, environmental, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the trustees and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the charity's legal advisors.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and the trustees as to where they considered there was susceptibility to fraud,

their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees, as a body, 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.

Azets Audit Services

Azets Audit Services
Statutory Auditor
Chartered Accountants
Exchange Place
3 Semple Street
Edinburgh EH3 8BL

17 April 2023

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**Consolidated Statement of Financial Activities
(including consolidated income & expenditure account)**

	Note	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
		£	£	£	£
Income From:					
Donations and Legacies	2	78,164	–	78,164	252,523
Charitable Activities					
Show related activities	3	4,776,126	–	4,776,126	454,508
Memberships	3	615,657	–	615,657	416,017
Other Activities	3	1,148,361	–	1,148,361	859,780
Trading Activities	4	4,152,616	–	4,152,616	4,779,226
Other Income	5	60,353	200,000	260,353	1,461,003
Investment Income	6	3,399	5,434	8,833	5,370
Total Income		10,834,676	205,434	11,040,110	8,228,427
Expenditure on:					
Cost of raising Funds	7	72,785	–	72,785	65,576
Charitable Activities					
–Show related Activities	9	5,934,395	–	5,934,395	2,553,742
–Memberships	10	1,060,280	–	1,060,280	1,031,523
–Other Activities	11	1,101,994	200,000	1,301,994	899,702
Trading Activities	12	3,868,014	–	3,868,014	4,431,787
Total Expenditure		12,037,468	200,000	12,237,468	8,982,330
Net (Expenditure)/Income on Operating Activities		(1,202,792)	5,434	(1,197,358)	(753,903)
Gains/Losses on investment					
Unrealised gains/(losses) on investments	21	10,506	1,930	12,436	(2,835)
Unrealised (loss)/gains on investment properties	20	(1,400,000)	–	(1,400,000)	400,000
Net (Expenditure)/Income		(2,592,286)	7,364	(2,584,922)	(356,738)
Corporation Tax		–	–	–	–
Net (Expenditure)/Income after tax		(2,592,286)	7,364	(2,584,922)	(356,738)
Actuarial gains/(losses) on Defined Benefit pension Scheme	33	52,000	–	52,000	84,000
Net movement in funds		(2,540,286)	7,364	(2,532,922)	(272,738)
Reconciliation of Funds					
Total Funds Brought Forward		19,286,812	129,721	19,416,533	19,689,271
Total Funds Carried Forward		16,746,526	137,085	16,883,611	19,416,533

**Charity Statement of Financial Activities
(including income & expenditure account)**

	Note	Unrestricted Funds	Restricted Funds	2022	2021 Total
Income From:		£	£	£	£
Donations and Legacies	2	578,164	–	578,164	252,523
Charitable Activities					
–Show related Activities	3	4,776,126	–	4,776,126	454,508
–Memberships	3	615,657	–	615,657	416,017
–Other Activities	3	2,148,361	–	2,148,361	1,659,780
Other Income	5	60,353	200,000	260,353	1,461,003
Investment Income	6	3,398	5,434	8,832	5,269
Total Income		8,182,059	205,434	8,387,493	4,249,100
Expenditure on:					
Cost of raising Funds	7	72,785	–	72,785	65,576
Charitable Activities	8				
–Show related Activities	9	6,121,618	–	6,121,618	2,566,427
–Memberships	10	880,070	–	880,070	741,965
–Other Activities	11	2,330,836	200,000	2,530,836	2,240,428
Trading Activities	10				
Total Expenditure		9,405,309	200,000	9,605,309	5,614,396
Net Income/(Expenditure) and net movement in funds before Gains & Losses on Investments		(1,223,250)	5,434	(1,217,816)	(1,365,296)
Gains/Losses on investment					
Unrealised (losses)/gains on investments	21	10,506	1,930	12,436	(2,835)
Unrealised (losses)/gains on investment properties	20	(1,400,000)	–	(1,400,000)	400,000
Net Income/(Expenditure)		(2,612,744)	7,364	(2,605,380)	(968,131)
Actuarial gains/(losses) on Defined Benefit pension Scheme	33	52,000	–	52,000	84,000
Net movement in funds		(2,560,744)	7,364	(2,553,380)	(884,131)
Reconciliation of Funds					
Total Funds Brought Forward		18,748,402	129,721	18,878,123	19,762,254
Total Funds Carried Forward		16,187,658	137,085	16,324,743	18,878,123

Consolidated Balance Sheet

	Notes	2022	2021
Fixed Assets			
Tangible Assets	19	22,364,215	23,259,148
Investment Properties	20	3,100,000	4,500,000
Investments	21	643,079	630,336
		26,107,294	28,389,484
Current Assets			
Stock		13,640	6,412
Debtors	22	1,348,515	2,103,601
Cash at Bank and in Hand		2,610,940	4,261,194
		3,973,095	6,371,207
Creditors: Amounts falling due within one year	23	2,042,173	3,664,642
Net current assets		1,930,382	2,706,565
Long Term Liabilities			
Creditors: Amounts falling due in more than one year	23	2,433,790	2,368,179
Bank Loan	24	8,720,275	9,311,337
Pension Scheme Asset	33	-	-
Net Assets		16,833,611	19,416,533
Represented by:			
Unrestricted – general funds	25	16,741,401	19,281,687
Unrestricted – designated funds	25	5,125	5,125
Restricted funds	26	137,085	129,721
Total Funds		16,883,611	19,416,533

APPROVED ON BEHALF OF THE DIRECTORS:



JIM WARNOCK
Chairman




JOHN G SINCLAIR
Honorary Treasurer

13 April 2023

Charity Balance Sheet

	Notes	2022	2021
Fixed Assets			
Tangible Assets	19	22,364,193	23,259,126
Investment Properties	20	3,100,000	4,500,000
Investments	21	642,792	629,867
		26,106,985	28,388,993
Current Assets			
Stock		13,640	6,412
Debtors	22	1,680,873	673,324
Cash at Bank and in Hand		1,394,241	3,308,225
		3,088,754	3,987,961
Creditors: Amounts falling due within one year	23	1,716,931	1,819,315
Net current assets		1,371,823	2,168,646
Long Term Liabilities			
Creditors: Amounts falling due in more than one year	23	2,433,790	2,368,179
Bank Loan	24	8,720,275	9,311,337
Pension Scheme Asset	33	-	-
Net Assets		16,324,743	18,878,123
Represented by:			
Unrestricted – general funds	25	16,182,533	18,743,277
Unrestricted – designated funds	25	5,125	5,125
Restricted funds	26	137,085	129,721
Total Funds		16,324,743	18,878,123

APPROVED ON BEHALF OF THE DIRECTORS:



JIM WARNOCK
Chairman



JOHN G SINCLAIR
Honorary Treasurer

13 April 2023

The Royal Highland & Agricultural Society of Scotland

Consolidated Statement of Cash Flows for the year ended 30 November 2022

	Notes	2022	2021
		£	£
Net Cash (used in)/provided by operating activities	27	(822,373)	2,220,964
Cash flows from investing activities			
Interest and dividends received		8,833	5,370
Payments to acquire tangible fixed assets		(131,013)	(352,073)
Payments to acquire investments		–	–
Movement of cash within investments		72	75
Rent received from investment properties		174,666	160,408
Net cash provided by/(used by) investing activities		52,558	(186,220)
Cash flows from financing activities			
Repayments of borrowings		(581,908)	(180,503)
Interest paid		(298,531)	(142,624)
Net cash from/(used by) financing activities		(880,439)	(323,127)
Increase in cash and cash equivalents		(1,650,254)	1,711,617
Cash and cash equivalents at 1 December 2021		4,261,194	2,549,577
Cash and cash equivalents at 30 November 2022		2,610,940	4,261,194

Royal Highland & Agricultural Society of Scotland

Notes to the Financial Statements

1. Accounting Policies

General information

The Royal Highland & Agricultural Society of Scotland is established by Royal Charter. It is recognised as a Charity by the Office of the Scottish Charity Regulator under charity number SCSC004561. The principal address is Royal Highland Centre, Ingliston, Newbridge, Edinburgh, EH28 8NB. Details of the objectives of the charity are set out in the Report of the Trustees.

These financial statements are presented in pounds sterling as that is the currency in which the majority of the charity's transactions are denominated.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Basis of preparation and assessment of going concern

The Financial Statements have been prepared under the historical cost convention with the exception of investments which are included at market value. The Financial Statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 2019, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Royal Highland & Agricultural Society of Scotland (the Society) constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared on a going concern basis.

We are planning for a full Royal Highland Show in 2023 and welcoming significant committed demand for event facilities through 2023 and beyond. A strategy for the medium and longer-term period is being developed to ensure the charity remains on a sustainable financial footing. We continue to undertake cost-containment measures. Taken along with the charity's substantial asset base, the Directors therefore believe that the financial outlook through to at least one year from the approval of these financial statements is positive and accordingly these financial statements are prepared on a going concern basis.

b. Group Financial Statements

These financial statements consolidate the Financial Statements of the charity and its wholly owned subsidiary Highland Centre Limited with the addition of the Royal Highland Society Development Trust. The Charity's interest in Scottish Agricultural & Rural Development Centre Limited is accounted for as an investment in an associate. The financial statements of the Royal Highland Education Trust and the Roy Watherston Memorial Trust are not consolidated in these financial statements as they are independent trusts and not under the control of the Society.

c. Funds Structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

d. Income recognition

Incoming resources represent the total income receivable during the year comprising members subscriptions, rents income from shows, income from its trading subsidiary, investment income, legacies, donations and sundry other income.

Donations and legacy income are recognised in the financial statements when there is entitlement, probability of receipt and the amount is quantifiable.

Grant income, including Government Grant income, is recognised on the performance model, in accordance with the Charities' SORP. Grants that impose specified future performance-related conditions are recognised in income only when the performance related conditions are met. Grants which do not impose specified future performance-related conditions are recognised when the grant proceeds are receivable.

Membership subscription income is recognised over the period of the membership. Lifetime memberships are released over a period of twenty years commencing from the year of receipt.

Show income primarily includes ticket sales, trade stand sales, catering commission and other sundry show income such as catalogues and car parking sales. Income in advance for shows and other activities is recognised at the time of the show or other activity.

Trading income is generated by Highland Centre Limited, the trading subsidiary of the Society. Its activities relate primarily to the letting out of event space, income is recognised over the period of the let.

Rents received from leased land and buildings are included on a straight-line basis over the term of the lease.

e. Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Expenditure has been allocated to the appropriate heading in the financial statements. Where costs cannot be directly attributed to a particular heading they have been allocated to activities on a basis consistent with the use of the resource.

Expenditure on raising funds

The costs of raising funds include expenditure related to the fundraising activities of the Society. This includes staff costs and organised events.

Expenditure on charitable activities

The costs of charitable activities include all expenditure associated with achieving the objectives of the Society.

Grants payable are included in the heading of Prizes and Awards in Note 18 in the Notes to the Financial Statements. Grants payable are recognised where either the award has been communicated to the beneficiary without condition and the recipient has a reasonable expectation that they will receive the grant, or any condition attaching to the award is outside the control of the charity. Institutions awarded cash grants are identified in the notes to the financial statements. Where applicable cash grants awarded to individuals are shown in aggregate.

Grants given by way of free entry to or discounted rates on exhibitors' trade stand sites at the Royal Highland Show are netted off in the total of trade stand rental income.

Prize money awarded during the Royal Highland Show is recognised as expenditure when the award is granted.

f. Taxation

The Society is in general exempt from corporation tax on its charitable activities. The taxation charge comprises current tax recognised in the trading subsidiary.

g. Fixed assets

i. Tangible assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated to write off the cost of fixed assets by equal instalments over their expected useful lives. The depreciation rates are as follows:

Assets under Construction	Not depreciated
Freehold property and infrastructure	15, 25 and 50 years
Exhibition Halls	Up to 50 years
Exhibition Halls – Fixtures and Fittings	5 years
Show Equipment	3, 5, 10 and 20 years
Plan, Furniture and Furnishings	5, 10 and 15 years
Office Equipment	3 years
Motor vehicles	5 years

Many of the properties which are owned by RHASS have been held for a considerable number of years and are not identified separately in the balance sheet. It would therefore not be practical to identify the costs of the component parts, without considerable cost and effort. However, whilst we have considered this impractical, going forward all assets will be componentised on appropriate basis.

Assets under construction are not depreciated until the asset is available for use, when the asset is transferred to the appropriate fixed asset class and depreciated at the appropriate rate.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

ii. Investment properties

Investment properties are carried at market value as estimated by a qualified independent valuer. These properties are not depreciated but are revalued annually with the gain or loss being recognised in the Statement of Financial Activities.

h. Investments

Details of investments together with the cost and market values at the beginning and end of the financial year appear in the notes to the Financial Statements.

Where the Society has investments in listed entities with a readily ascertainable market value, these are held at market value.

Investments in associated companies are held at a value equal to the proportionate share of the investee's net assets.

Investments in unlisted companies are held at cost and are subject to tests of impairment when indicators exist.

The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year. The funds are largely invested to generate an above inflationary return.

i. Gains and losses on investments

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Realised and unrealised investment gains and losses are recognised in the Statement of Financial Activities.

j. Stocks

Stock is made up of the show and society supplies and is represented at lower cost and net realisable value.

k. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks.

l. Deferred Income

Deferred income arises from Members' subscriptions paid in advance, income for future shows and income for the future hire of our exhibition halls and facilities. The income is released over the period over which the economic benefits are expected to materialise. For life memberships this is expected to be twenty years.

m. Operating leases

Operating Lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

n. Heritage assets

Heritage assets are not recognised in the Statement of Financial Activities. The Society's heritage assets comprise over 90 works of art and artefacts and 340 silverware and trophies. The artwork is mainly displayed in Ingliston House and the silverware and trophies used for Royal Highland Show prizegivings. No material acquisitions occurred in the year, and there were no disposals. The Society chooses not to recognise these assets since reliable cost information is not available for items acquired many years ago. A full valuation was concluded in 2022.

o. Pensions

i. Defined benefit pension scheme

The Society contributes to a Defined Benefits Scheme at a rate set by the scheme trustee. This scheme was closed to new entrants on 31 March 2004 and closed to future service accruals on 1 December 2010. The pension scheme is administered by Trustees and the assets are held separately from those of the Society. Independent actuaries complete valuations triennially.

The Defined Benefits Scheme is being accounted for under Section 28 of FRS 102 with any annually calculated deficit on the funding of the scheme shown in the financial statements as a designated fund entitled "Pension Reserve" which is included with unrestricted funds in the Balance Sheet. The Society considers it prudent not to include any pension surplus on the balance sheet.

ii. Personal pension plans

The Society contributes to Personal Pension Plans operated by Standard Life for its eligible employees. These contributions are accounted for on a defined contribution basis in accordance with FRS 102. The amounts are charged as expenditure and represent the contributions payable to those plans in respect of the accounting period. The assets of the scheme held separately from those of the Society in an independently administered fund.

p. Financial assets and financial liabilities

Financial instruments are recognised in the statement of financial activities when the Charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price and subsequently accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for similar debt instrument.

Financial instruments are classified as basic in accordance with Chapter 11 of FRS102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method, other than listed investments which are recognised initially at cost and subsequently at fair value, which is normally mid-market value. Where the fair value cannot be reliably measured, they are recognised at cost less impairment. Gains and losses on listed investments are recorded through net income.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

q. Judgements in applying accounting policies and key sources of estimation uncertainties

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charity's accounting policies.

The trustees are satisfied that accounting policies are appropriate and applied consistently. There are a number of actuarial assumptions used in the quantification of the group's pensions commitments which are described in Note 33.

Investment properties are held at valuations supported by a qualified independent valuer.

Lifetime membership periods are estimated to be 20 years.

2	Income from donations and legacies	Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
	Donations and legacies received	78,164	252,523	78,164	252,523
	Donation from subsidiary	–	–	500,000	–
		78,164	252,523	578,164	252,523

3 Income from charitable activities (Group and Charity)					
		Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
	Income from Royal Highland Show				
	Entry fees for livestock and competitions, trade stand income and royalties			1,922,793	135,102
	Gates and car park revenue			2,037,562	
	Sponsorship, advertising and publication sales			715,788	318,871
	Other income			99,983	535
				4,776,126	454,508
	Income from membership				
	Membership subscriptions			615,657	416,017

		Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
	Income from other charitable activities				
	Rents from buildings, hotel signage and car parks	1,008,082	663,635	2,008,082	1,463,635
	Other Society income	140,279	196,145	140,279	196,145
		1,148,361	859,780	2,148,361	1,659,780

4 Income from trading activities (Group)					
The wholly owned trading subsidiary Highland Centre Ltd (HCL) is incorporated in the United Kingdom (Company Number SC265245)					
		Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
	Income from the Highland Centre Ltd				
	Outside areas			516,471	359,735
	Exhibition hall lets			840,266	1,035,156
	Income from car parks			154,354	43,288
	Other income			2,641,525	3,341,047
				4,152,616	4,779,226

5 Other income					
		Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
	Grants from UK Government Furlough scheme (CJRS)	–	11,003	–	11,003
	Scottish Government Grant funding	200,000	750,000	200,000	750,000
	Business interruption insurance claim	60,353	700,000	60,353	700,000
		260,353	1,461,003	260,353	1,461,003

The amount shown under insurance claim represents the final settlement on a claim under the Society's business interruption policy due to the impact of Covid-19 on activities in the year to 30 November 2020.

6	Investment income	Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
Unrestricted funds					
	Dividends	–	50	–	–
	Bank interest	3,399	728	3,398	677
		3,399	778	3,398	677
Restricted funds					
	Dividend income	5,434	4,592	5,434	4,592
		8,833	5,370	8,832	5,269
7	Expenditure on raising funds	Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
	Depreciation	11,367	10,913	11,367	10,913
	Support and governance Costs	61,418	54,663	61,418	54,663
		72,785	65,576	72,785	65,576
8	Analysis of expenditure on charitable activities – Group				
		Direct	Support & governance	2022 Total	
Charitable expenditure					
	Show-related activities	4,891,742	1,042,653	5,934,395	
	Membership	296,734	763,546	1,060,280	
	Other activities	788,779	513,215	1,301,994	
		5,977,255	2,319,414	8,296,669	
		Direct	Support & governance	2021 Total	
Charitable expenditure					
	Show-related activities	2,194,668	359,074	2,553,742	
	Membership	325,769	705,754	1,031,523	
	Other activities	538,825	360,877	899,702	
		3,059,262	1,425,705	4,484,967	
Analysis of expenditure on charitable activities – Charity					
		Direct	Support & governance	2022 Total	
Charitable expenditure					
	Show-related activities	4,891,742	1,229,876	6,121,618	
	Membership	296,734	583,336	880,070	
	Other activities	1,070,392	1,460,444	2,530,836	
		6,258,868	3,273,656	9,532,524	
		Direct	Support & governance	2021 Total	
Charitable expenditure					
	Show-related activities	2,194,668	371,759	2,566,427	
	Membership	325,769	416,196	741,965	
	Other activities	870,130	1,370,298	2,240,428	
		3,390,567	2,158,253	5,548,820	

9 Expenditure on Show-related activities	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Showyard preparation – materials & contractors	792,899	168,585	792,899	168,585
Showyard preparation – hire of equipment	738,174	70,167	738,174	70,167
Forage and bedding	28,346	10,025	28,346	10,025
Remuneration and expenses of Show staff *	259,241	52,863	259,241	52,863
Hotel and travelling expenses of Show staff	218,207	40,990	218,207	40,990
Music and special events	419,808	76,421	419,808	76,421
Public safety (including police & ambulance)	789,625	141,365	789,625	141,365
Advertising and promotion	584,899	775,170	584,899	775,170
Other expenditure	176,311	41,044	176,311	41,044
Payroll and related costs	222,297	189,349	222,297	189,349
Prizes & awards	194,285	102,235	194,285	102,235
Depreciation	467,650	526,454	467,650	526,454
Support and governance costs	1,042,653	359,074	1,229,876	371,759
	5,934,395	2,553,742	6,121,618	2,566,427

* These costs are the staffing costs directly linked to the organisation and delivery of RHS activity in any year.

10 Expenditure on Membership	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Prizes & awards	239,310	268,269	239,310	268,269
Depreciation	57,424	57,500	57,424	57,500
Support & governance costs	763,546	705,754	583,336	416,196
	1,060,280	1,031,523	880,070	741,965

11 Expenditure on other charitable Activities	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Society events	4,314	2,826	4,314	2,826
Payroll and related costs	571,447	321,167	571,447	321,167
Depreciation	213,018	214,832	213,018	214,832
Costs relating to subsidiary	–	–	281,613	331,305
Support and governance costs (notes 13 & 14)	513,215	360,877	1,460,444	1,370,298
	1,301,994	899,702	2,530,836	2,240,428

12 Expenditure on trading activities	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Payroll and related costs	86,699	200,730	–	–
Letting & contracting costs	2,456,831	2,978,334	–	–
Depreciation	280,990	336,096	–	–
Support costs	1,043,494	916,627	–	–
	3,868,014	4,431,787	–	–

13 Expenditure on Governance	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Cost of AGM & other meetings	200,958	48,889	198,868	48,810
Audit fees	42,325	41,000	35,750	35,750
Professional fees	30,108	51,080	23,865	23,865
Key management salaries	170,031	184,307	170,031	184,307
	443,422	325,276	428,514	292,732

14 Support costs and analysis of expenditure by activity	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Society payroll	651,522	527,760	651,522	527,760
Professional fees	241,584	262,911	241,584	262,911
Estate costs	1,042,047	524,058	1,042,047	524,058
Vehicle costs	6,835	831	6,835	831
Rates	82,546	43,115	82,546	43,115
Insurance	200,796	175,706	200,796	175,706
Advertising and publicity	178,504	105,610	122,304	92,441
Printing, stationery and communications	59,356	46,151	59,356	45,026
Financial charges	52,490	30,547	49,266	30,057
Interest charges on Loan	298,531	142,624	298,531	142,624
Other costs	166,693	81,581	151,773	75,655
Governance costs	443,422	325,276	428,514	292,732
	3,424,326	2,266,170	3,335,074	2,212,916

Support costs have been allocated as follows:

Cost of raising funds	61,418	54,663	61,418	54,663
Show-related activities	1,042,653	359,074	1,229,876	371,759
Trading activities	1,043,494	785,802	–	–
Membership	763,546	705,754	583,336	416,196
Other	513,215	360,877	1,460,444	1,370,298
	3,424,326	2,266,170	3,335,074	2,212,916

15 Staff costs	2022	2021
	£	£
Wages & salaries	1,324,720	1,102,364
Social security costs	161,179	94,948
Pension costs	216,097	226,000
Temporary Show staff	201,002	–
	1,902,998	1,423,312

These have been allocated as follows:

Fundraising activities	61,418	54,663
Show-related activities	369,823	307,623
Trading activities	234,225	319,004
Membership	147,526	118,274
Other	718,973	439,441
Governance	170,031	184,307
	1,902,998	1,423,312

The monthly average number of employees during the year was 38 (2021: 33) of which 37 were permanent and 1 was temporary (2021: 27 were permanent and 3 were temporary), based on actual headcount.

The split by activity is:	2022	2021
	No.	No.
Fundraising	2	2
Show related activities	7	5
Trading Activities	6	3
Membership	3	2
Other	16	7
Governance	4	14

The number of employees where salaries (including benefits in kind) were above £60,000 for the year were:

	2022	2021
	No.	No.
Between £160,000 – £169,999	1	–
Between £150,000 – £159,999	–	–
Between £140,000 – £149,999	–	1
Between £130,000 – £139,999	–	–
Between £120,000 – £129,999	–	–
Between £110,000 – £119,999	–	–
Between £100,000 – £109,999	–	–
Between £90,000 – £99,999	–	–
Between £80,000 – £89,999	1	1
Between £70,000 – £79,999	1	1
Between £60,000 – £69,999	–	1

The contribution towards Pension Costs for employees where salaries were above £60,000 for the year ended 30 November 2022 was £27,819 (2021: £30,088). Retirement benefits for these employees were accruing under a defined contribution scheme.

Key Management personnel for the Group and the Charity are the same and comprise the Chief Executive, Director of Operations and Society Secretary. The total employee benefits of the Key Management personnel are £ 396,965 (2021: £352,900).

Of the pension costs, £114,097 relates to employer contributions to defined contribution plans and the remainder relates to costs related to the RHASS defined benefit scheme. This last is a legacy scheme, long-closed to new entrants and accruals.

16 Trustees' expenses and remuneration			
a)		2022	2021
		£	£
	Trustees' expenses reimbursed		
	The aggregate amount of expenses incurred and reimbursed to Directors was:		
	Directors' (14 in total (2021: 14)) expense claims for attending internal and external meetings	2,644	3,417
	Directors' (0 in total (2021: 14)) expense claims for attending the Royal Highland Show Case/Show	–	3,485
b)	Trustees' remuneration		
	In addition to the expenses reimbursed above, the following Trustees were paid in regards to their role on the Executive Committee:		
	Mr WG Gray £4,220 (2021: £4,700), Mr J Logan £768 (2021: £500), Mr D Bridgeford £1,781 (2021: £200)		
	Mr J Pace £687 (2021: £250), Mr WF Arnot £nil (2021: £nil), Mr S Hay £624 (2021: £nil)		
	Mr JG Sinclair £2,237 (2021: £625), Mr JC Warnock £3,075 (2021: £1,300)		
	The legal authority under which these payments are made is stated within the Society Bye-Laws. Bye-Law 14b states that members of the Executive Committee may be paid for attendance at each meeting of the Executive Committee and other Society business, such sum as shall be determined from time to time by the Board of Directors.		
17 Auditor's remuneration			
		2022	2021
		£	£
	Audit services	42,260	35,150
	Non Audit services (Tax and Corporate Finance)	1,515	24,865
18 Grants paid			
	Cash grants were paid to the following bodies during the year:		
		2022	2021
		£	£
	Royal Highland Education Trust	144,028	136,487
	RSABI	16,000	16,000
	Nuffield Scholarship	6,500	6,500
	Moredun Institute	3,000	10,000
	SAYFC	10,083	4,825
	Edinburgh Veterinary School	3,000	–
	Horsescotland – National Equestrian Awards	5,000	–
	Glasgow Veterinary School	4,950	–
	Oxford Farming Conference – grant for delegates	750	800
	Shearing Grant	1,260	–
	British Horse Society – funding for large animal rescue equipment	8,555	–
	ASAO Conference – funding for Scottish Shows to attend	1,895	–
	Scottish Agritourism – grant for delegates to Vermont Conference	3,250	–
	Northern Highland Initiative – research into food production in North Highlands	4,500	–
	Food and Agriculture Stakeholders Taskforce	934	–
	RHASS Presidential Initiative	10,000	21,500
	Clydesdale Horse Society	–	5,000
	Farmstrong – Movember	–	50,000
	Woman in Food & Agriculture	–	3,500
	Roy Watherston Memorial Trust – audit fee	–	1,000
	Fife Show – Quaich for Champion of Champions in honour of bicentenary	–	800
	Others – Miscellaneous	3,959	2,950
		227,664	259,362
	Expenditure on certificates and medals for long service, skills and academic achievement was as follows:		
		2022	2021
		£	£
	Long service certificates and ploughing medals	5,733	5,525
	Other medals	3,432	3,432
		9,165	8,957
		236,829	268,319

19 Group Fixed Assets										
	Ingliston Showground £	Ingliston Showsite £	Assets under Construction £	Exhibition Hall £	Show Equipment £	Plant £	Office Equipment £	Furniture, Paintings £	Motor Vehicles £	Total £
Cost										
As at 30 November 2021	2,758,418	22,799,866	166,464	6,223,816	472,516	1,237,657	710,520	135,309	41,651	34,546,217
Additions	-	71,580	2,500	-	-	7,100	49,833	-	-	131,013
Transfers	-	-	-	-	-	-	-	-	-	-
As at 30 November 2022	2,758,418	22,871,446	168,964	6,223,816	472,516	1,244,757	760,353	135,309	41,651	34,677,230
Depreciation										
As at 1 December 2021	-	5,986,389	-	2,929,071	416,923	1,192,568	628,160	92,308	41,650	11,287,069
Charge for year	-	792,604	-	139,221	14,427	22,861	48,888	7,945	-	1,025,946
As at 30 November 2022	-	6,778,993	-	3,068,292	431,350	1,215,429	677,048	100,253	41,650	12,313,015
Net Book Value										
As at 30 November 2022	2,758,418	16,092,453	168,964	3,155,524	41,166	29,328	83,305	35,056	1	22,364,215
As at 30 November 2021	2,758,418	16,813,477	166,464	3,294,745	55,593	45,089	82,360	43,001	1	23,259,148
Charity Fixed Assets										
	Ingliston Showground £	Ingliston Showsite £	Assets under Construction £	Exhibition Hall £	Show Equipment £	Plant £	Office Equipment £	Furniture, Paintings £	Motor Vehicles £	Total £
Cost										
As at 30 November 2021	2,758,418	22,799,866	166,464	6,223,816	472,516	1,204,657	614,243	135,309	22,500	34,397,789
Additions	-	71,580	2,500	-	-	7,100	49,833	-	-	131,013
Transfers	-	-	-	-	-	-	-	-	-	-
As at 30 November 2022	2,758,418	22,871,446	168,964	6,223,816	472,516	1,211,757	664,076	135,309	22,500	34,528,802
Depreciation										
As at 30 November 2021	-	5,986,389	-	2,929,071	416,923	1,159,569	531,903	92,308	22,500	11,138,663
Charge for year	-	792,604	-	139,221	14,427	22,861	48,888	7,945	-	1,025,946
As at 30 November 2022	-	6,778,993	-	3,068,292	431,350	1,182,430	580,791	100,253	22,500	12,164,609
Net Book Value										
As at 30 November 2022	2,758,418	16,092,453	168,964	3,155,524	41,166	29,327	83,285	35,056	-	22,364,193
As at 30 November 2021	2,758,418	16,813,477	166,464	3,294,745	55,593	45,088	82,340	43,001	-	23,259,126

Works of art and items of historical interest are not recognised, since reliable cost information is not available for items acquired many years ago. A full valuation of our trophies and other heritage items was completed in 2022. The valuation for insurance purposes is £3,425,000.

Depreciation is split out by activity on notes 7, 9, 10, 11 and 12.

20 Group fixed assets – investment properties	2022	2022	2021	2021
	£	£	£	£
	Group	Charity	Group	Charity
	Cost			
As at 30 November 2021	4,500,000	4,500,000	4,100,000	4,100,000
Revaluation	(1,400,000)	(1,400,000)	400,000	400,000
As at 30 November 2022	3,100,000	3,100,000	4,500,000	4,500,000

Investment property was valued at £3,100,000 as at 30 November 2022 by an independent surveyor Derek Reid MRICS, an RICS qualified valuer with Avison Young. The basis of valuation was fair value, referenced to market value subject to the lease agreement in place.

21 Investments	2022	2022	2021	2021
	£	£	£	£
	Group	Charity	Group	Charity
	Listed investments	387	–	569
Listed investments held for Special Funds	110,592	110,592	108,173	108,173
Investment in subsidiaries	–	100	–	100
Other investments (SARC and Tayforth)	521,594	521,594	532,243	532,243
Revaluation	10,506	10,506	(10,649)	(10,649)
	643,079	642,792	630,336	629,867

Listed investments

Listed investments were held solely by the Royal Highland Development Trust a subsidiary of Royal Highland and Agricultural Society of Scotland. Investments were included at fair value, their market value, and are held primarily to provide an investment return for the Trust. As reported in last year's accounts, the portfolio of listed investments managed by Evelyn (formerly Smith & Williamson) were liquidated, on the Trustees' instruction, on 17th March 2020 to minimise further losses. No further investments have been made in the current year and the portfolio retains a small cash balance.

Gains or losses on sale of investments are accounted for in the Statement of Financial Activities.

	2022	2021
	£	£
Investments		
Market value at 1 December	110	110
Disposals at current value	(110)	–
Market value at 30 November excluding portfolio cash	–	110
Portfolio cash held pending reinvestment	387	459
Market value at 30 November including portfolio cash	387	569

Market value at 30 November

	2022	2021
Equities	–	110
Market value at 30 November excluding portfolio cash	–	110
Portfolio cash held pending reinvestment	387	459
Market value at 30 November including portfolio cash	387	569

Investments in special funds

Investments in special funds are investments which are held within restricted funds to provide an income to facilitate the specific purposes of the fund.

Consolidated and Charity Investments

	Units	Cost £	Market Value 2022 £	Unrealised Gains/ (Losses)	Market Value 2021 £
<i>Special funds:</i>					
AJ Lilburn Forestry Trophy Fund					
<i>M&G Charifund Income Units</i>	87	500	1,284	25	1,259
Consolidated Prize Fund					
<i>M&G Charifund Income Units</i>	1,244	8,032	18,362	356	18,006
<i>2.5% Treasury Stock 2024</i>	1,500	5,047	6,034	489	5,545
Sir William Young Memorial Fund					
<i>National Savings Bond</i>		5,000	5,000	–	5,000
<i>Council for Awards of Royal Agricultural Societies (CARAS)</i>					
<i>M&G Charifund Income Units</i>	4186	46,000	61,789	1,198	60,591
Trophy Maintenance Fund					
<i>M&G Charifund Income Units</i>	1,228	10,240	18,123	351	17,772
Royal Highland Society Development Trust					
		74,819	110,592	2,419	108,173

Other Investments

The Society holds 3/7ths of the issued share capital of Scottish Agricultural & Rural Development Centre Ltd (SARDC). This investment is now treated as an associate and carried at a fair value of £532,074. The net assets of SARDC at 28 February 2022 were £1,241,506 (2021: £1,301,992) and the loss for the year was £(60,486) (2021: £(104,847)). For fair value purposes the net assets for SARDC were adjusted to reflect property revaluation at 24 November 2021 carried out by George Hipwell MRICS FAAV of Davidson & Robertson.

A dividend of £nil was received from SARDC during the year. (2021: £nil)

The Society's shareholding in Tay Forth Machinery Ring Ltd is 25 shares of £1 each.

Investment in subsidiaries

Highland Centre Ltd

The Society has a £100 investment in Highland Centre Limited. Highland Centre Limited is a wholly owned subsidiary of the Society with an authorised share capital of £1,000,000. As at 30 November 2022 its total assets were £1,610,487 (2021: £2,388,231), total liabilities £1,066,049 (2021: £1,864,347) and net assets £544,438 (2021: £523,865). For the year to 30 November 2022 its turnover was £4,152,616 (2021: £4,765,514), total expenditure £3,632,043 (2021: £4,167,862) and profit for the year £520,573 (2021: £597,652).

Royal Highland Society Development Trust (RHS DT)

As at 30 November 2022 the trust had total assets of £14,520 (2021: £14,618), liabilities of £nil (2021: £nil) and net assets of £14,520 (2021: £14,618). For the year to 30 November 2022 the trust had total income of £50 (2021: £101), total expenditure of £72 (2021: £76) and deficit for the year of £22 (2021: £25 surplus).

Edinburgh Arena Limited

The Society owns the entire Share Capital of Edinburgh Arena Limited. This company is dormant and trading has not commenced.

22 Debtors and prepayments	2022 £ Group	2022 £ Charity	2021 £ Group	2021 £ Charity
Trade Debtors	570,945	410,772	1,789,233	347,583
Amounts due from subsidiaries	–	627,367	–	–
Taxes receivable from HMRC	44,000	156,895	–	19,015
Amount due from insurance claim (see note 5)	–	–	–	–
Prepayments	323,178	323,178	313,635	305,993
Accrued income and other debtors	410,392	162,661	733	733
	1,348,515	1,680,873	2,103,601	673,324

23 Creditors and accrued charges	2022 £ Group	2022 £ Charity	2021 £ Group	2021 £ Charity
Due within one year				
Trade creditors	681,622	501,071	955,759	379,949
Accruals	356,755	294,784	1,000,945	274,618
Deposits	120,663	37,403	141,326	17,490
Social Security and other taxes	39,430	39,430	31,070	31,070
Taxes payable to HMRC	–	–	229,311	–
Bank loan repayments	586,799	586,799	577,644	577,644
Deferred income	212,265	212,265	709,618	519,575
Other creditors	45,179	45,179	18,969	18,969
	2,042,713	1,716,931	3,664,642	1,819,315
Due in more than one year				
Bank loan repayments	8,720,275	8,720,275	9,311,337	9,311,337
Deferred income	2,433,790	2,433,790	2,368,179	2,368,179
	11,154,065	11,154,065	11,679,516	11,679,516

Deferred income and accrued charges includes £1,566,536 in relation to member subscriptions (2021: £1,460,859) and £1,033,498 in relation to advance payments related to the lease of land (2021: £1,057,906). In accordance with the accounting policy as outlined in note 1, the deferred income relates to the remaining balance of all life memberships over their amortised life of 20 years. Deferred income in relation to land consisted of up-front lease payments which are to be released over the course of the lease. Amounts due in less than or more than one year are reflected in the tables above.

Deferred income	Advance lease receipts £	Other income in advance	Member subscriptions £	Total £
At 1 December 2021	1,057,906	559,032	1,460,859	3,077,797
Released in year	(24,408)	(1,096,112)	(140,713)	(1,261,233)
Deferred in year	–	583,101	246,390	829,491
At 30 November 2022	1,033,498	46,021	1,566,536	2,646,055

24 Bank Loans

The Society has entered into loan agreements with RBS to fund infrastructure works at the Society's premises. The total facility capacity of the various loans is £8 million. At the balance sheet date £7.4 m remains outstanding, repayable over 10 years at fixed and variable rates. The loans are secured over certain of the Society's assets. Following an repayment holiday agreed with our primary lender RBS capital repayments recommenced from July 2021.

Following the outbreak of Covid pandemic and consequent adverse impact on the Society's finances, the Society arranged a further £2.5m CBIL loan through its primary lender RBS, the loans being secured by granting further security over certain of the Society's assets. The Government met the initial interest costs on the CBIL loan and loan repayments commenced from August 2021. The Society has a long-term repayment strategy in place.

	2022 £ Group	2022 £ Charity	2021 £ Group	2021 £ Charity
Due within one year	586,799	586,799	577,644	577,644
Due between one and two years	589,549	589,549	580,595	580,595
Due between two and five years	4,664,058	4,664,058	3,556,772	3,556,772
Due in more than five years	3,466,668	3,466,668	5,173,970	5,173,970
Total secured loans	9,307,074	9,307,074	9,888,981	9,888,981
Less due within one year (see note 23)	586,799	586,799	577,644	577,644
Total loans due in more than one year	8,720,275	8,720,275	9,311,337	9,311,337

25 Unrestricted funds

The capital account consists of unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Society.

Designated funds are unrestricted funds earmarked by the Trustees for specific future purposes, to be released when that purpose has been fulfilled.

	£ Group	£ Charity
General funds	16,741,401	16,182,532
Designated funds	5,125	5,125
	16,746,526	16,187,657

General funds

This represents the net surpluses and deficits accumulated on the operations of the Society.

	2022 £ Group	2022 £ Charity	2021 £ Group	2021 £ Charity
As at 1 December 2021	19,281,687	18,743,277	19,566,831	19,639,814
Income for year	10,834,676	8,182,059	7,973,835	3,994,508
Expenditure for year	(12,037,467)	(9,405,309)	(8,732,330)	(5,364,396)
Gains/(Losses) for year	(1,389,494)	(1,389,494)	389,351	389,351
Transfer from designated funds	-	-	-	-
Actuarial gains	52,000	52,000	84,000	84,000
	(2,540,286)	(2,560,744)	(285,144)	(896,537)
As at 30 November 2022	16,741,401	16,182,533	19,281,687	18,743,277

Designated funds

	2022 £ Group	2022 £ Charity	2021 £ Group	2021 £ Charity
Paintings Restoration Fund	5,125	5,125	5,125	5,125
	5,125	5,125	5,125	5,125

26 Special restricted funds (Charity)

	Balance	Incoming resources	Resources expended	Gains/ (losses)	Balance
	2021				2022
AJ Lilburn Forestry Trophy Fund	1,460	137	–	25	1,622
Sir William Young Memorial Fund	6,032	37	–	–	6,069
Consolidated Prize Fund	27,972	983	–	356	29,311
Trophy Maintenance Fund	20,286	970	–	351	21,607
Council of Awards for Royal Agricultural Societies	73,971	3,307	–	1,198	78,476
Scottish Government Grant – grant funding specifically restricted to the Highland Show	–	200,000	(200,000)	–	–
	129,721	205,434	(200,000)	1,930	137,085

	Balance	Incoming resources	Resources expended	Gains/ (losses)	Balance
	2020				2021
AJ Lilburn Forestry Trophy Fund	1,303	59	–	98	1,460
Sir William Young Memorial Fund	6,028	4	–	–	6,032
Consolidated Prize Fund	25,458	938	–	1,576	27,972
Trophy Maintenance Fund	18,150	743	–	1,393	20,286
Council of Awards for Royal Agricultural Societies	66,376	2,848	–	4,747	73,971
Scottish Government Grant – grant funding specifically restricted to the Highland Show	–	250,000	(250,000)	–	–
	117,315	254,592	(250,000)	7,814	129,721

AJ Lilburn Forestry Trophy Fund

The AJ Lilburn Forestry Trophy Fund is a restricted fund for the maintenance of the Alistair J Lilburn of Coull Trophy.

Sir William Young Memorial Fund

The Sir William Young Memorial Fund is a restricted fund for the annual award of a cash sum to the person considered by the Society's Directors to have made an outstanding contribution to livestock breeding in Scotland.

Consolidated Prize Fund

The Consolidated Prize Fund was created on 12 August 1987 by realising the individual investments held by the Prize Fund and amalgamating them into government stock and Charifund Income Units. The investment income and awards are distributed according to the ratio of each individual prize funds contribution to the total funds applied to the new investments, thus retaining the restricted nature of the individual prize funds. Awards are distributed annually in July and represent for this financial year the receipts for the period 1 July 2021 to 30 June 2022. Receipts from 1 July 2022 to 30 November 2022 are carried forward for distribution the following year.

Trophy maintenance fund

Since 1989 donors of new trophies have been required to supply a cash sum to purchase M&G Charifund Income Units to provide for trophy maintenance costs.

Council for Awards of Royal Agricultural Societies (CARAS)

In 2013 a fund was set up, from donations made by members of the Council for Awards of Royal Agricultural Societies (CARAS). The funds collected were used to purchase M&G Charifund Income Units. The monies earned from dividends received, fund an annual awards scheme that grants funding to candidates who have limited access to other forms of funding.

Scottish Government Grant

This fund refers to funding from Visit Scotland for the Royal Highland Show.

27 Reconciliation of net expenditure for the year to net cash used by operating activities

	2022	2021
	£	£
Net income/(expenditure)	(1,197,358)	(753,903)
Pension fund charge less contributions made	52,000	84,000
Depreciation	1,025,946	1,145,796
Interest and dividend receivable	(8,833)	(5,370)
Loan Interest paid	298,531	142,624
Decrease/(increase) in stock	(7,228)	(1,312)
Decrease/(increase) in debtors and prepayments	755,086	457,601
Increase/(decrease) in creditors and accrued charges	(1,565,851)	1,311,936
Rent received from investment properties	(174,666)	(160,408)
	(822,373)	2,220,964

28 Analysis of cash and cash equivalents and reconciliation of net debt

	2021	Cash Flow	2022
Bank	4,243,581	(1,650,532)	2,593,049
Fund bank accounts	17,048	293	17,341
Cash	565	(15)	550
Total cash and cash equivalents	4,261,194	(1,650,254)	2,610,940
Bank loans due in less than 1 year	577,644	9,155	586,799
Bank loans due in more than 1 year	9,311,337	(591,062)	8,720,275
Net debt	5,627,787	1,068,347	6,696,134

29 Analysis of net assets between funds

Group	Tangible Fixed Assets	Investments	Net Current Assets	Long Term Liabilities	Total
Unrestricted funds	25,464,215	532,487	1,903,889	(11,154,065)	16,746,526
Restricted funds	–	110,592	26,493	–	137,085
Total as at 30 November 2022	25,464,215	643,079	1,930,382	(11,154,065)	16,883,611
Unrestricted funds	27,759,148	522,163	2,689,517	(11,679,516)	19,291,312
Restricted funds	–	108,173	17,048	–	125,221
Total as at 30 November 2021	27,759,148	630,336	2,706,565	(11,679,516)	19,416,533
Charity					
Unrestricted funds	25,464,193	532,200	1,345,330	(11,154,065)	16,187,658
Restricted funds	–	110,592	26,493	–	137,085
Total as at 30 November 2022	25,464,193	642,792	1,371,823	(11,154,065)	16,324,743
Unrestricted funds	27,759,126	521,694	2,151,598	(11,679,516)	18,752,902
Restricted funds	–	108,173	17,048	–	125,221
Total as at 30 November 2021	27,759,126	629,867	2,168,646	(11,679,516)	18,878,123

30 Financial Commitments

	2022 £	2021 £
The annual commitment under non-cancellable operating leases was as follows:		
Operating leases for plant & machinery expiring:		
Within one year	25,763	37,694
Within two to five years	396	26,266
Total commitment for the life of all leases	26,159	63,960

31 Related Party Transactions

During the year the Charity entered into transactions with the following related parties. All transactions were in the course of ordinary business for the Charity. The value of transactions, and nature of the transactions are included below. There were no outstanding balances at 30 November 2022 (2021: nil). Given the nature of RHASS's operations, the number of board members and the inter-linked sector in which it operates, it is inevitable that RHASS will enter into transactions with related parties. Those that are considered material to either entity involved in a transaction are disclosed below.

Related Party		Related Directors	Sales to Related Party	Dividend Received
Scottish Agricultural & Rural Development Centre Ltd	2022	A Laidlaw, JG Sinclair	3,000	nil
	2021	A Laidlaw, JG Sinclair	3,000	nil

The Charity has a 3/7ths interest in SARDC Ltd. Included within sales to SARDC are fees of £3,000 (2021: £3,000) in respect of provision of Directors for the company, which are paid directly to the Charity.

There were no other related party transactions in 2022.

The Charity has taken advantage of the exemption in FRS102 not to disclose transactions with wholly owned subsidiaries.

32 Connected Bodies

The Royal Highland Education Trust (Scottish Charity Number SC7492) is administered by the Society. No fee is charged for this service

The Roy Watherston Memorial Trust (Scottish Charity Number SC7609) is administered by the Society. No fee is charged for this service.

The Royal Highland Society Development Trust was established on 16 November 1995 under Deed of Trust. It is a charitable trust (Scottish Charity Number SC24206) and has five trustees in common with RHASS.

The address of the Royal Highland Education Trust, the Roy Watherston Memorial Trust, and the Royal Highland Society Development Trust is Royal Highland Centre, Ingliston, Edinburgh EH28 8NB

33 Pension Scheme

The Society operates a defined benefit scheme in the UK. This is a separate trustee-administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 30 November 2017 and updated to 30 November 2022 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The most recent actuarial valuation, November 2020, showed a surplus of £465,000. The Society had agreed with trustees that it would pay three additional contributions each of £50,000, payable by 28 February 2019, 31 January 2020 and 31 January 2021, in order to improve the funding of the scheme on the solvency valuation basis. Following the outbreak of the Covid pandemic and the consequent impact on the Society's finances, it was agreed with the pension trustees to waive the 2021 payment. The Society continues to pay annual contributions of £50,000 in respect of expenses and all Pension Protection Fund levies.

Present value of defined benefit obligation, fair value of assets and defined benefit asset (Liability)

	%	2022 £	%	2021 £	%	2020 £
Fair value of plan assets		4,223,000		6,211,000		5,880,000
Present value of defined benefit obligation		3,894,000		5,668,000		4,687,000
Surplus in plan		329,000		543,000		1,193,000
Unrecognised Surplus		329,000		543,000		1,193,000
Assets						
Overseas equities						
Corporate bonds	52%	2,170,000	74%	4,575,000	70%	4,098,000
Government bonds	20%	860,000	11%	710,000	15%	871,000
Cash	4%	159,000	2%	108,000	1%	55,000
Absolute return bond fund	24%	1,034,000	13%	818,000	15%	856,000
		4,223,000		6,211,000		5,880,000

None of the fair values of the assets shown above include any direct investments in the Society's own financial instruments or any property occupied by, or other assets used by the Society.

Reconciliation of Opening and Closing Balances of the Present Value Scheme Liabilities

	2022 £	2021 £	2020 £
Defined benefit obligation at start of period	5,668,000	4,687,000	4,228,000
Expenses	102,000	135,000	76,000
Interest expense	90,000	69,000	79,000
Actuarial losses/(gains)	(1,722,000)	1,097,000	515,000
Benefits paid and expenses	(244,000)	(320,000)	(211,000)
Scheme liabilities at end of period	3,894,000	5,668,000	4,687,000

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	2022 £	2021 £
Fair value of plan assets at start of period	6,211,000	5,880,000
Interest Income	98,000	86,000
Actuarial gains / (losses)	(1,893,000)	514,000
Contributions by the Society	50,000	51,000
Benefits paid and expenses	(243,000)	(320,000)
Fair value of plan assets at end of year	4,223,000	6,211,000

The actual return on the plan assets over the period ending 30 November 2022 was £1,795,000 deficit (2021: £600,000 surplus).

33 Pension Scheme (continued)			
Defined Benefit Costs Recognised in Profit or Loss			
	2022	2021	
	£	£	
Expenses	102,000	135,000	
Total expense recognised in profit and loss	102,000	135,000	
Defined benefit costs recognised in other comprehensive income			
	2022	2021	
	£	£	
Return on plan assets (excluding amounts included in net interest cost)			
Gain/(loss)	(1,893,000)	514,000	
Experience gains and losses arising on the scheme liabilities			
Gain/(loss)	(284,000)	(376,000)	
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities:			
Gain/(loss)	2,006,000	(721,000)	
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)			
Gain/(loss)	223,000	667,000	
Total amount recognised in statement of total recognised gains and losses			
Amount: Gain/(loss)	52,000	84,000	
Assumptions			
	2022	2021	2020
	% per annum	% per annum	% per annum
Discount rate	4.50	1.60	1.50
Inflation (CPI)	3.00	3.50	2.80
Allowance for revaluation of deferred pensions of CPI or 5%pa, if less	3.00	3.50	2.80
Allowance for pension in payment increases of CPI or 5%pa, if less	2.90	3.30	2.70
Allowance for commutation of pension for cash at retirement	25% of Pension	25% of Pension	25% of Pension
The mortality assumptions adopted at 30th November 2022 imply the following life expectancies:			
Male retiring at age 60 in 2022	27.10	27.00	25.10
Female retiring at age 60 in 2022	29.60	29.50	27.20
Male retiring at age 60 in 2042	28.90	28.80	27.00
Female retiring at age 60 in 2042	31.40	31.30	29.20
The best estimate of contributions to be paid by the Society to the scheme for the period commencing 1 December 2022 is £50,000. This is in respect of management and administration expenses.			

34 Financial assets and liabilities held at fair value through profit and loss

	2022 £ Group	2022 £ Charity	2021 £ Group	2021 £ Charity
Listed investments held at fair value	110,979	110,592	108,742	108,173

**35 Consolidated Statement of Financial Activities for prior year
(including consolidated income & expenditure account)**

	Unrestricted Funds	Restricted Funds	2021 Total
	£	£	£
Income From:			
Donations and Legacies	252,523	–	252,523
Charitable Activities			
Show related activities	454,508	–	454,508
Memberships	416,017	–	416,017
Other Activities	859,780	–	859,780
Trading Activities	4,779,226	–	4,779,226
Other Income	1,211,003	250,000	1,461,003
Investment Income	778	4,592	5,370
Total Income	7,973,835	254,592	8,228,427
Expenditure on:			
Cost of raising Funds	65,576	–	65,576
Charitable Activities			
–Show related Activities	2,553,742	–	2,553,742
–Memberships	1,031,523	–	1,031,523
–Other Activities	649,702	250,000	899,702
Trading Activities	4,431,787	–	4,431,787
Total Expenditure	8,732,330	250,000	8,982,330
Net (Expenditure)/Income on Operating Activities	(758,495)	4,592	(753,903)
Gains/Losses on investment			
Realised gains on sales of fixed assets	–	–	–
Realised gains/(losses) on investments	–	–	–
Unrealised gains/(losses) on investments	(10,649)	7,814	(2,835)
Unrealised gains on investment properties	400,000	–	400,000
Net (Expenditure)/Income	(369,144)	12,406	(356,738)
Corporation Tax	–		
Net (Expenditure)/Income after tax	(369,144)	12,406	(356,738)
Actuarial losses on Defined Benefit pension Scheme	84,000	–	84,000
Net movement in funds	(285,144)	12,406	(272,738)

**36 Charity Statement of Financial Activities for prior year
(including income & expenditure account)**

	Unrestricted Funds	Restricted Funds	2021 Total
	£	£	£
Income From:			
Donations and Legacies	252,523	–	252,523
Charitable Activities			
–Show related Activities	454,508	–	454,508
–Memberships	416,017	–	416,017
–Other Activities	1,659,780	–	1,659,780
Trading Activities	1,211,003	250,000	1,461,003
Investment Income	677	4,592	5,269
Total Income	3,994,508	254,592	4,249,100
Expenditure on:			
Cost of raising Funds	65,576	–	65,576
Charitable Activities			
–Show related Activities	2,566,427	–	2,566,427
–Memberships	741,965	–	741,965
–Other Activities	1,990,428	250,000	2,240,428
Trading Activities			
Total Expenditure	5,364,396	250,000	5,614,396
Net (Expenditure)/Income and net movement in funds before Gains & Losses on Investments	(1,369,888)	4,592	(1,365,296)
Gains/Losses on investment			
Realised gains on sale of fixed assets	–	–	–
Unrealised (losses)/gains on investments	(10,649)	7,814	(2,835)
Unrealised gains on investment properties	400,000	–	400,000
Net (Expenditure)/Income	(980,537)	12,406	(968,131)
Actuarial losses on Defined Benefit pension Scheme	84,000	–	84,000
Net movement in funds	(896,537)	12,406	(884,131)



Edinburgh Park

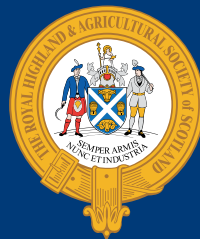
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Visitors arrive at the Royal Highland Show





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