

Annual Review 2020

Weathering the storm of a global pandemic



ROYAL
HIGHLAND &
AGRICULTURAL
SOCIETY OF
SCOTLAND



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The purpose of RHASS is to support and encourage the best of agriculture, to communicate and bring to life its value, as well as developing a greater appreciation of agriculture's impact on everyday life.



Chief Executive's Report

Securing our future amid a global pandemic

It's near impossible to sum up everything that has contributed to this unprecedented and challenging year, one which will go down in RHASS's and wider history as a time of momentous change.

RHASS's vision is to build, support and sustain a vibrant agricultural community renowned for innovation, collaboration and having a positive impact on our everyday lives. Never has this vision been more relevant than in 2020.

When lockdown struck, the agri industry came to the fore. It was our farmers who kept the tractor wheels turning, the countryside working and our families fed. At times, the sector can be presented in a negative light, however during Covid-19 with food provenance and supply chains coming under the spotlight like never before, our farmers were acknowledged and rightly celebrated.

It wasn't just our farmers and growers who showed their worth; industry bodies and the wider food supply chain also rallied to meet the needs of society and our sector with farm businesses going online and organisations providing practical, wellbeing and financial support to those who needed it most or highlighting the specific challenges facing the sector during the global pandemic.

For RHASS, the challenges came thick and fast. The cancellation of the Royal Highland Show hit the headlines, less so the large number of other events due to take place during 2020 at the Royal Highland



Alan Laidlaw, RHASS Chief Executive

Centre. While less newsworthy within the agri sector, these events provide a vital contribution to RHASS's financial position and these postponements, against a back-drop of a planned deficit within a longer-term investment in the site and the Society, made for a challenging position.

As an organisation we quickly took stock, with Directors and staff coming together to determine how best to steer the Society through choppy waters.

With the safety of individuals and stopping transmission of the virus to the fore, RHASS Director meetings moved swiftly from the historical surroundings of Ingliston House to virtual platforms. With the exception of those involved in critical site maintenance, our team quickly pivoted to work from home.



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Our farmers, growers, industry bodies and the wider food supply chain rallied to meet the needs of society

Technical Innovation Awards, the Royal Highland Show and the Royal Highland Education Trust went online and we continued with planned significant investment in enhancing and integrating our IT systems to improve efficiency and effectiveness. We also developed an intranet to improve staff communications and engagement whilst working remotely.

We sought and received the support of our key lenders, applied for Pivotal Enterprise Government support, made significant use of the Coronavirus Job Retention (Furlough) Scheme, developed new income streams and launched a major fundraising campaign.

We also had to take the difficult decision to restructure, saying goodbye to members of the RHASS family, to ensure RHASS remained sustainable and to protect the future of the Show, our flagship charitable event.

In the context of leaving no stone unturned, we explored a claim against our business interruption insurance due to the impact of the pandemic. The initial response was not positive, however we persevered and were encouraged when the Supreme Court found in favour of policy holders in January 2021. In late March 2021, as this report was going to print, we received the very welcome news of an interim payment of £1.8 million against a claim for the financial year of £2.2 million. Our full cover under this policy is for £2.5m, covering the cancellation of the 2020 and 2021 Shows and

we intend to pursue the remainder of the claim in the coming financial year. There is of course some frustration in the timing of this, with many difficult decisions already taken, but it is also pleasing to see a positive result from protective decisions taken in the past.

We were truly humbled by the incredible support we received from our Members who continue to demonstrate their passion for the work of the charity by donating to the Save Your Show campaign, sending positive messages of encouragement and continuing to support the Society through their membership. Funds raised from the SYS campaign will ensure that our 180th Show will be a fantastic celebration when we are, once again, able to gather together.

Without doubt it is the people – Directors, Staff, Members and all the others that work with us throughout the year – that make the Society great. I am hugely proud of what we achieved during this extremely difficult time.

Yes, this year has been gruelling, but the Society has endured and I have no doubt and am determined that we will emerge from this time a braver, more resilient and ambitious organisation.

Alan Laidlaw, Chief Executive

Guided by our charitable purpose

While Covid-19 largely suspended all our event activity, RHASS's charitable work continued, albeit in different ways. A normal year would see charitable delivery through the Royal Highland Show and through supporting sector organisations and individuals, often involving travel and gatherings.

This year, through innovation, digital transformation and industry collaboration, RHASS delivered a programme of activity that connected, celebrated and championed our industry during this challenging time.

Membership & industry engagement

Communication has never been more important, especially with our Directors, staff, Members and wider stakeholders, who make up the backbone of the Charity, separated across the country. Therefore, our focus was on staying connected at a time when it mattered the most.

Member Magazine

- Society magazine mailed to all member households (July and December).

Digital Engagement

- Social media engagement to provide up-to-date information on the Society's activities.

Podcasts

- The development of a podcast series, featuring the RHASS Chairman and Chief Executive, brought the Society's charitable activity to life, with Members, exhibitors and others sharing memories of the Show and creating a unique digital archive.

Media engagement

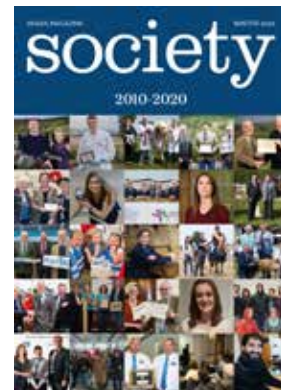
- The Chairman and Chief Executive held a series of agricultural media briefings throughout the year with key press contacts.

Regional briefings

- A regular series of regional briefings with Directors.

Ongoing Membership engagement

- The membership team, despite reduced numbers, worked hard to ensure continued engagement with Members, whilst also planning our move to an enhanced membership platform which will enable us to communicate more effectively and efficiently with Members.



Society magazine - (produced July and December)

SOCIAL GROWTH 2020		
NEW FACEBOOK FOLLOWERS		
RHASS: 30% increase		↑
RHS: 10% increase		↑
FACEBOOK POST ENGAGEMENTS		
RHASS: 45,851		↑
RHS: 292,679		↑



Media engagement



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The impact of the cancellation reverberated far and wide with Members, stakeholders and the Show-going public

2020 Royal Highland Show cancellation

On March 17th 2020, RHASS Directors gathered remotely to take a decision no-one wanted to take – the cancellation of the 180th Royal Highland Show (RHS) due to the global pandemic.

The impact of the cancellation reverberated far and wide with Members, stakeholders and the Show-going public expressing their understanding of, yet total dismay at, what would be a ‘no Show’ year.

Financial consequences apart, we were hugely aware of the detrimental impact on the wellbeing of the industry and wider rural community of the loss of our annual ‘get together’. and we worked hard to create a platform designed to keep the community connected and supported throughout this difficult time.



The RHASS Board meets virtually to cancel the RHS 2020, with (L-R) Alan Laidlaw, Bill Gray and Marie Livingstone, socially distanced in Ingliston House.

Recreating the magic of the event

We developed an inspiring and engaging programme of online content to celebrate the key aspects of the Show. This included video footage – new and existing – media interviews, social media posts, podcasts and a dedicated RHS programme on the BBC’s Landward programme.

RHET also established a comprehensive online presence with the aim of engaging the next generation of foodies, farmers and rural workers.

“While this was not a show we envisaged or hoped for, we have seen significant engagement from Show visitors, Members, exhibitors and sponsors on our social channels, demonstrating that the event plays a big part in peoples’ lives.” Bill Gray, Chairman.



Chairman Bill Gray is interviewed by Landward’s Dougie Vipond

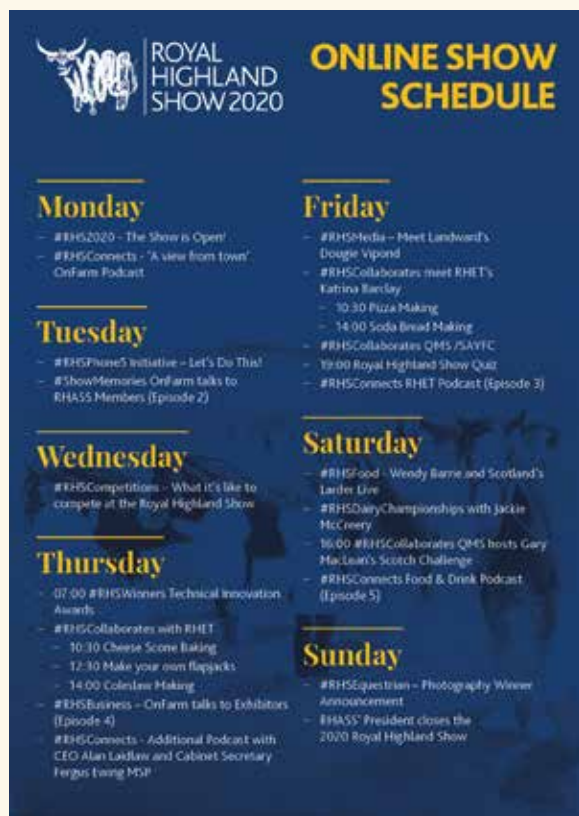


Bringing the Show's impact to life

The team identified compelling human-interest stories from Members and Show visitors, including a young family who recreated the Show with Lego and farmyard animals from their toy box, complete with show rings!

We collaborated with industry partners including the Scottish Association of Young Farmer Clubs, Quality Meat Scotland and Scotland Food & Drink to recreate aspects of the Show online, from cookery demonstrations and debates to seminars and quizzes, all supported by the RHASS team and on RHS' digital channels.

Prior to the pandemic, we were already considering how best to use digital engagement alongside the Show and, such was the success of this year's initiative, this is something the Society will look to build upon in future years, with the aim of extending the reach of the Show and building greater connections between producers and consumers.



Adding value to our sponsors

Sponsorship of the RHS is important to sector organisations as they seek to engage with our audiences. This continued this year through the participation of our major partner, The Royal Bank of Scotland, in our digital activities. The Royal Bank of Scotland has been a valued partner of the Show since 1981 and we are very grateful for their unwavering support throughout this challenging time. We are grateful for and proud of our relationships with all of the sponsors of the Show, who year after year, show their commitment and passion for the Show, Society and sector.

Gift-in-Kind support

We were unable to receive much of the usual support we receive around the Show, however we were most grateful to receive in kind support this year from our partners including legal advice from Covington & Burling LLP, weed control inputs and chemicals from Corteva, Crop Services and JDW Agri Ltd, as well as grass seed from Watson Seeds.

COVINGTON

JDW Agri Ltd



Partnerships reach

We established new ways to collaborate with publishers DC Thomson and long-term supporters the Scottish Farmer to support their tributes to the Show, by engaging with our RHS judges, providing access to film footage and supporting their events through our own channels. This not only allowed us to reinforce the importance of the Show in the agricultural calendar but it also further enabled the Society to deepen the connection between farmers, producers and consumers.



Supporting Health & Wellbeing

With many struggling to maintain their mental wellbeing during the coronavirus pandemic, RHASS identified ways in which the organisation could support our audiences during this period of enforced isolation.

One such initiative was the #Phone5 campaign, which inspired Show visitors to telephone five friends they would normally meet at the Show. This tied in with the RSAB KeepTalking campaign. The aim was to recreate the social element of the Show and it was warmly welcomed by the community and industry, while making small steps to open up honest conversations around how challenging rural isolation can be at any time, never mind during a global pandemic.



Driving Innovation

Innovation has always been part of the Society's charitable mission and during this time of unprecedented change, it was important to continue to drive advancement, both internally within RHASS and by supporting external organisations in achieving their goals.

Technical Innovation Awards

One of RHASS's most long-standing awards went online this year and, as a result of an innovative PR and social campaign, the awards attracted more entries than ever before. An online awards ceremony was filmed and shared on social and we showcased the winners on our social channels and in our Society magazine.



Sir William Young Award

Father and son team Jimmy and Willie Thomson from Hownam Grange, Kelso were awarded the Sir William Young Award for their exceptional contribution to the world of sheep breeding. While celebrations were not possible at the Show, it is important that we continue to recognise, celebrate and promote our sector's best-in-class producers.



(L-R) Chairman Bill Gray and Sir William Young Award winners Willie and Jimmy Thomson

Support through Awards & Grants

The provision of awards and grants is one of the most important ways in which the Society carries out its charitable remit. This continued during this financial year, despite challenging financial pressures. As expected, some awards were postponed due to the pandemic, particularly those linked to travelling and events, however, the Board agreed to extend its support by rolling these forward.

- **RSABI helpline** – RHASS is in its second year of a three-year £48,000 award to fund the helpline, which can be a lifeline for people in the sector who are struggling. The RSABI helpline team operate an outbound call service for the lonely, vulnerable and those struggling with their mental health and have dealt with over 2,500 calls and around 700 clients and their families. Over the period covering this report, RSABI dealt with around 25 new clients a month with most needing practical and emotional and for some, financial support.



RSABI Helpline

- **The Royal Highland Education Trust** – received continued support to the tune of £187,507. Further in-kind funding was provided for the educational charity's fundraising Gala dinner with no-charge access to the Lowland Hall for the event. The evening generated over £90,000 (net of costs).
- During lockdown with schools closed and travel restrictions in place making it impossible to visit farms, **RHET** took much of its work online, focusing on digital learning and classroom activity as well as teacher support, thereby ensuring the educational charity's work continued despite the pandemic.



- **The Scottish Association of Young Farmer Clubs (SAYFC)** - While RHASS was unable to donate RHS tickets to the charity this year due to the cancellation of the Show, the Society's support of SAYFC continued in various ways, including by funding the Cultivating Young Leaders programme, as well as exploring more strategic and long-term opportunities to support the whole YF movement in Scotland.
- Support for **Nuffield scholarships** continued this year with one scholar, Emma Patterson-Taylor, sponsored by RHASS to carry out her research project.



Nuffield Scholar, Emma Patterson Taylor

- **Moredun Institute** – RHASS became a Gold Sponsor of the Moredun Research bus, which will facilitate outreach and education to further knowledge exchange activities with the livestock sector. Going back to basics and taking science to our communities, as RHASS and Moredun have done for over 100 years.



Moredun mobile laboratory, 1920



Moredun educational bus, 2020

- **Institute of Agricultural Secretaries and Administrators (IAgSA) conference 2020** - supported with £500 award.
- **We awarded 66 medals for long service to men and women within the rural, agricultural and support service industries** recognising a total of 2,358 years' service. Because of restrictions caused by the pandemic, the accompanying hand-finished certificates have not been able to be prepared and framed; these will be completed as soon as safely possible.
- **The awarding of medals for ploughing goes back to the Society's early days** and we awarded 17 medals this year.
- **11 Medals for excellence in academic achievement awarded**, through the SRUC, the University of Stirling, University of Glasgow Veterinary School and the Royal (Dick) School of Veterinary Studies.

CASH GRANTS WERE PAID TO THE FOLLOWING BODIES DURING THE YEAR

	2020 / £	2019 / £
Royal Highland Education Trust	185,507	252,466
RSABI	16,000	16,000
Nuffield Scholarship *	15,000	-
Moredun Institute	10,500	6,000
SAYFC	8,350	3,500
Edinburgh Veterinary School *	6,000	-
Horsescotland	5,000	5,000
Glasgow Veterinary School	3,000	2,904
RHASS charitable scoping work for health and wellbeing initiative	3,000	-
Oxford Farming Conference - grant for delegates	2,576	2,249
Scottish Beekeepers	1,800	1,800
Scottish Farriery Awards	1,250	1,000
Scottish School of Forestry	1,080	-
RHASS Heritage & Culture	1,000	-
Lantra awards	560	458
National Pony Society	500	-
RHASS Presidential Initiative	-	10,000
Clydesdale Horse Society	-	6,002
Golden Shears Trophy	-	4,348
International Federation of Agricultural Journalists	-	4,000
RASC Next Generation	-	2,717
Scotland's Finest Woodlands	-	2,500
Rural Youth Project Innovation	-	2,000
Scottish Ploughing Championships	-	1,500
Scottish Shearing Circuit Committee	-	1,040
Graham Babes - European Championship support	-	1,000
RHET Lothian event	-	933
Others - Miscellaneous	2,276	700
	263,399	328,117

EXPENDITURE ON CERTIFICATES & MEDALS FOR LONG SERVICE, SKILLS & ACADEMIC ACHIEVEMENT

	2020 / £	2019 / £
Long service certificates and ploughing medals	4,322	9,635
Other medals	1,087	1,984
	5,409	11,619
Total grants paid	268,808	339,736

- RHASS funds a Nuffield scholarship on an annual basis but the 2019 payment fell outwith the financial year.
- The school did not make any awards in the prior year and it was agreed therefore to double the awards made in this year.

Governance in uncertain times

Good governance is of critical importance at any time but during a time of crisis and uncertainty it is more important than ever.

When the impact of the pandemic became clear, Board and Committee meetings moved to virtual platforms, enabled by prior investment in systems and physical infrastructure and through Bye-Law changes agreed by our Members in 2018 to enable remote participation in meetings and electronic decision-making.

The Board took the difficult decision on 17 March 2020 to cancel the 2020 RHS. At the same meeting, recognising that the Society might need to be able to take far-reaching decisions at short notice, the Board delegated its powers, authorities and discretions in full to the Executive Committee.

The Executive Committee, made up of eight Directors and two advisors, normally meet around 11 times a year. In 2020, the Executive Committee met 20 times, 16 of those meetings taking place from mid-March onwards. The Board continued to meet as planned to advise and to receive reports from the Executive Committee. The full delegation was rescinded in October as, whilst the impact of the Covid-19 pandemic remained, the anticipated need for the exceptionally rapid response which had necessitated the delegation was judged to have moderated.

With lockdown in place and restrictions on gatherings, the Society was unable to convene a face to face AGM and the AGM took place online on 7 July with Members able to pre-register to attend. The Board, and the Members at the AGM, agreed to extend a number of office bearer roles by one year to provide continuity and stability within the governance of the Society in light of the impact of the global pandemic.

Recognition of excellence

Marie Livingstone, RHASS Society Secretary, was recognised in the 'Board Influencer' category at the prestigious DMJ Governance Hot 100 awards. The awards acknowledge individuals who influence strategic decision-making at the most senior levels in their organisation.

Training and development

During this financial year, RHASS's Directors undertook training on subjects including Board leadership, governance, finance and audit to ensure the Society has the correct skill sets in place to drive the charity forward.

Cost savings made by eliminating travel due to training going online enabled the Society to take advantage of additional training for the same budget.



Directors Meeting, Feb 2020



Marie Livingstone, RHASS Society Secretary

RHASS Directors & Officials 2020-21



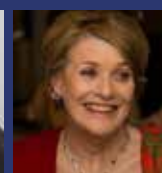
Kay Adam



Bill Arnot



Jo Andrews



Fiona Armstrong



David Alexander



Alexander Bankier



Katrina Barclay



Ian Beck



Philip Benzie



Ewan Brewis



Jackie McCreery



Mark Currie



Matthew Currie



Les Davidson



Martin MacDonald



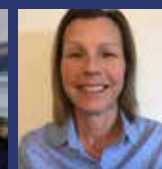
James Dunlop



Dennis Bridgeford



Rev. Alex Cairns



Kath Dunn



Will Downie



Louise Elder



Bill Gray



Gordon Gray



Martin Hall



Jim Hastings



Tom Henderson



Andrew Hornall



Alasdair Houston



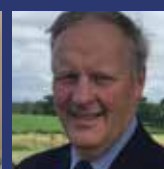
Alan Laidlaw



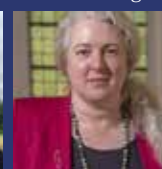
Bruce Lang



Susan Lawrie



Rob Livesey



Marie Livingstone



Anne Logan



James Logan



David Lyle



Sarah Mackie



Alistair Marshall



Kenneth Matheson



Allan J Murray



Eric Mutch



Robbie Newlands



John Owen



Julian Pace



Stuart Rae



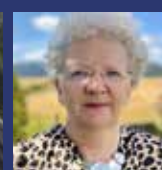
Andrew Rennie



Aylett Roan



William Robb



Fiona Roebuck



Fiona Ross



Lorne Scott



John Seed



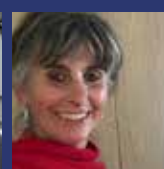
John Sinclair



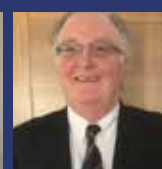
Christopher
Shepherd



Bryce Sloan



Val Smith



Alasdair Straker



A Kenneth
Sutherland



Gordon
Sutherland



Thomas Tennant



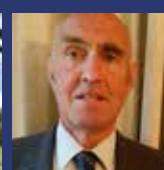
Neil Thomson



Elizabeth Vance



James C Warnock



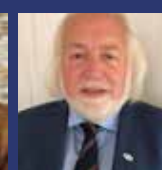
James F Warnock



Percy Weatherall



Heather Wildman



Alexander Wilkie



John McWilliam

The financial impact of the pandemic

Over the last five years, RHASS has been pursuing a long-term £12 million investment strategy to transform the showground into one of the best outdoor spaces in Scotland. This was achievable given the strength of RHASS's balance sheet, by drawing on the Society's investments and by consciously taking advantage of the record low rates of borrowing.

These investment decisions were taken to secure a sustainable future for the Society by creating a strong foundation to generate ongoing income, both through the Show and through other commercial uses of the showground.

This year, RHASS completed the build of a new Members' Pavilion and events space – on time and on budget. The sad reality is that the keys were handed over on the eve of the March 2020 Lockdown, with planned events subsequently postponed or cancelled.

In a normal year, the showground attracts over one million visitors across hundreds of events and the RHC trading company contributes significantly to RHASS. However, this year with events cancelled, including the Royal Highland Show, RHASS as a group has had to take tough decisions to secure the future of the Society.

A root and branch review of income and expenditure was undertaken with savings made in a number of areas. This

included full site closure barring essential maintenance, temporary salary cuts and changes to working hours, and a significant number of redundancies through a restructure. The restructure reflected the impact on events, whilst protecting the core team who run the Society and put on the Show, our flagship charitable event.

The Society took advantage of UK Government support, such as the Furlough scheme and also secured a Scottish Government Resilience Grant.

The team also identified new uses for event facilities and were successful in securing a long-term let of the Highland Hall as a Royal Mail sorting office over the festive period. Throughout the year there were a variety of other Covid-related emergency uses explored and developed with partners, which were not taken up by statutory agencies.

In late March 2021, we received the very welcome news of an interim £1.8 million payment on a business interruption insurance claim relating to the impact of the Covid pandemic.

This late information completely changes the outcome for the year. Against a very challenging drop in income of £4 million and through a combination of cost cutting and containment, opening up of new income streams, the launch of a highly successful fundraising campaign and this interim insurance payment, RHASS has contained its loss for the year at £0.3 million.

Save Your Show appeal

In line with our strategy to develop additional, sustainable income streams, in August RHASS Directors approved a long-term £2 million fundraising campaign entitled 'Save Your Show,' appealing to Members and the Show public for their support.

The response of RHASS's Members and the agricultural sector to this appeal has been both heartening and generous, generating just over £250,000 in the current financial year. The campaign will continue as planned towards its target through 2021 and beyond.

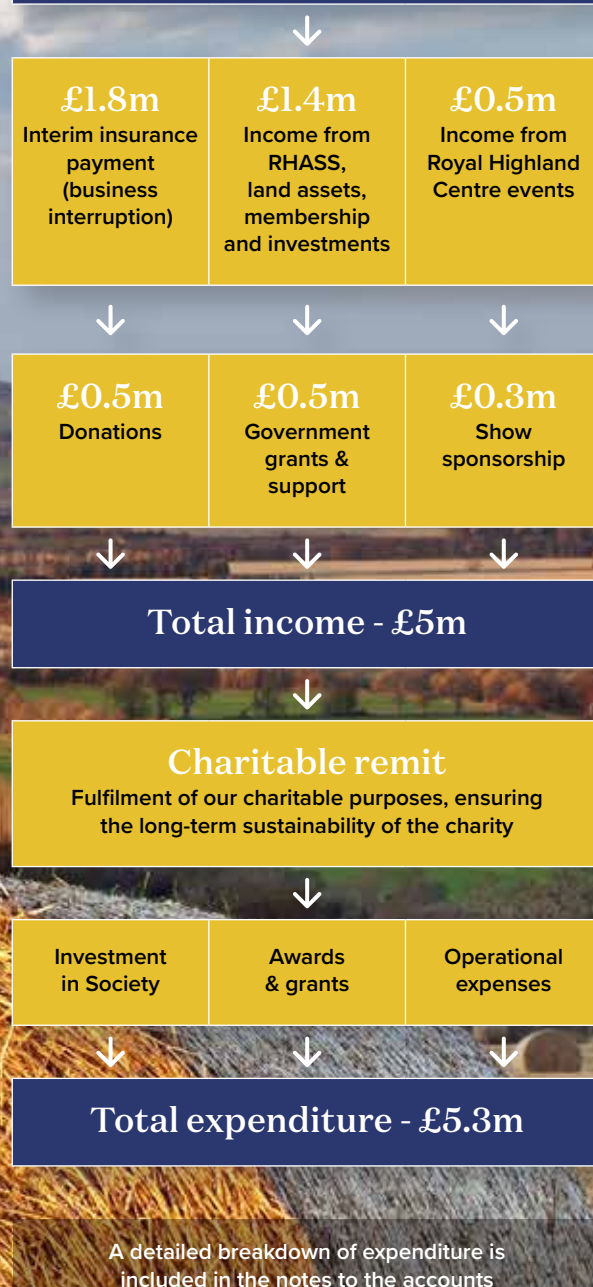
Significantly, the Save your Show appeal has given those who share our values, and want to support the Society, an opportunity to do so. Many of our Members have written to express their solidarity and to thank the Board for giving them this chance to be involved in our campaign to save the Society and the Royal Highland Show for the next generation.



"I hope this donation and my 2020 membership along with all the others secures the future of the Highland Show. The Show is the highlight of our showing calendar and our holidays. It has a special place in our hearts. I wish you all good luck with raising the funds."

RHASS member Kim Stretch

Creating a sustainable charity



Investing to bounce back stronger

Completion of the Members Pavilion

In February 2019, work began on the £5 million event space and replacement for the MacRobert Members Pavilion. This multi-use-events building was part of RHASS's plans to develop the site to ensure it can cater for increased demand in the years to come.

The 16,000 sq. ft pavilion and events space was completed in March 2020 in advance of the 2020 Royal Highland Show, when it was due to have its grand unveiling.

However, this was not to be and what is believed to be the largest high quality hospitality function space in Edinburgh, outside of the city centre, lay unused during the Covid-19 pandemic, until it became part of the fight against the virus by becoming an NHS vaccination centre in February 2021.

While unable to fulfil its full potential this year, it is heartening to be part of the vaccination rollout, and the state-of-the-art events space will have a valuable role to play in the Society's plan to bounce back from the pandemic stronger and more resilient.

Digital Transformation

The Society had already planned a major digital transformation project and the 'no Show' year enabled the team to focus on progressing the project in a reduced timeframe. This is a seismic shift for the organisation and includes a review of the current IT provision and a subsequent scope of work designed to integrate systems across the Society to improve efficiencies and provide access to valuable data to inform future projects. We expect our Members to be able to feel, and see, the direct results of this programme in coming years.

Operational improvements

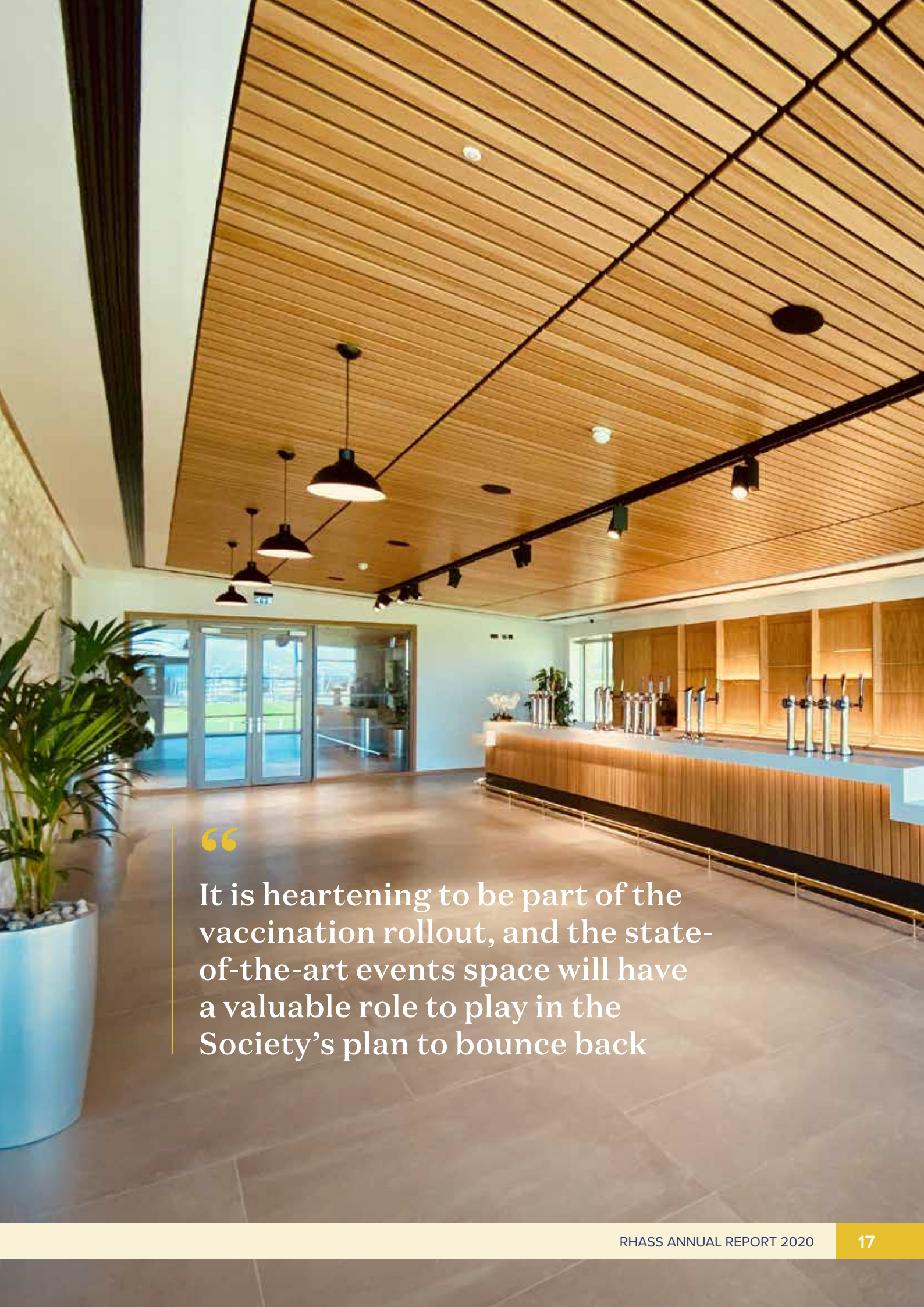
The long-term investment in the site, and the Board's decision in March to maintain our stringent compliance testing regime, paid dividends this year enabling RHASS to secure new clients such as the Royal Mail and a film-making client and, from February 2021, the NHS. As well as generating much-needed income, this non-event income stream enabled us to make mutually beneficial improvements to the fabric of the site, such as replacement of some tarmac areas.

The ongoing de-risking of the showground continued with improvements to the servicing of developments and investment in the infrastructure of the site, including the introduction of a new mains water supply to the Moxy hotel and adjacent development site, funded by Vastint, the owners of Moxy, as part of their long-term agreement with RHASS.

For those involved in critical site maintenance and unable to work from home, we introduced robust Covid-19 processes to ensure the health and safety of the teams and others engaged in essential onsite work.

Prior investment in IT infrastructure and systems enabled RHASS to swiftly move to online meeting platforms and remote working. This digital investment continues as a strong theme throughout RHASS and is paying dividends in many ways.





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It is heartening to be part of the vaccination rollout, and the state-of-the-art events space will have a valuable role to play in the Society’s plan to bounce back

Chairman's Report

Looking to the future



Bill Gray, RHASS Chairman

While I reflect on the report that I wrote for the 2019 Annual Report when the early impact of Covid-19 featured, I am struck that 12 months on, the pandemic continues to affect our daily lives. During this time, the Society has had to face head-on the devastating impact that the loss of events has had on our operations and, ultimately, on our financial position, which through innovative thinking and determination, we have been able to largely recover in the year.

Difficult decisions have had to be made during the past year and it is a testament to the strength of the Board leadership and the core team that we have not shied away from these – on the contrary, we have tackled them with good decision-making and sound governance. It would have been too easy to just pull down the shutters in the face of such a loss of business and income, but we have not only worked hard to mitigate our losses but, due to the lack of events in the calendar for 2020, we have also broadened our horizons and looked to secure income streams from areas that we have hitherto not exploited.

We received an interim insurance payout of £1.8 million in March 2021, as this report was being finalised (part of a £2.5 million claim covering the cancellation of the 2020 and 2021 Shows). This, along with other protective measures, has held this year's loss at £0.3 million.

Whilst any deficit is disappointing, to constrain our losses to £0.3 million in the context of a global pandemic and a £4 million drop in income is a vindication of decisions and actions taken by the Board and team, recently and over the longer-term. I cannot commend highly enough the resilience and foresight of both the Board and staff team in weathering this storm and delivering a strong result in challenging circumstances.

We have had to change our outlook in the past 12 months and while we have focussed on the need for reduced costs – which has sadly included significant redundancy – we have also sought and acquired alternative sources of income which have been vital. In addition, the pace at which the landscape has changed has required RHASS to be flexible and fleet of foot to be able to cope with the challenges it has faced.

One of the many things that has remained important is our continued engagement with our stakeholders, some of whom we support through our charitable remit. It is vital that we continue to do this through these difficult times as we stay true to our Royal Charter and to our charitable purpose.

The support through membership renewals and the hugely humbling and heartening reaction to our recent fundraising campaign has been frankly amazing. Both the membership and the wider rural community have come on this journey with us and we are grateful beyond words for that.

The heart-breaking decision to cancel the 2020 Royal Highland Show created the highest profile gap in our calendar and while we all missed the opportunity to compete, exhibit and do business, the lack of opportunity to catch up in person with friends and acquaintances was the most keenly felt absence. The boost to mental health of our rural communities of all the shows in the year should never be underestimated and this has been highlighted more than ever during 2020. The support for our virtual Show week from all our stakeholders was first class.

Whilst at the time of writing we have sadly just had to cancel the 2021 RHS, we are hugely excited to be working on an 'RHS Live' event to showcase the best of food, farming and rural life and we look forward to opening the doors of Ingliston once more in 2022.

So, we look to the future. The challenges will not disappear and indeed will be with us for some time, but if we continue to manage our affairs to ensure that the Society moves forward from the most challenging chapter in its 236-year history, I am confident that RHASS will remain sustainable for the next 200 years and beyond.

A handwritten signature in black ink that reads "Bill Gray". The signature is fluid and cursive, with a long horizontal line extending from the end.

Bill Gray, RHASS Chairman

Report of the Trustees



ROYAL
HIGHLAND &
AGRICULTURAL
SOCIETY OF
SCOTLAND

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 2020.

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 page 28 as is RHASS's principal address and the names and addresses of RHASS's professional advisers.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Royal Highland and Agricultural Society of Scotland is a Society constituted by Royal Charter dating from 1784, last amended in 2012. The Royal Charter is supplemented by the Bye-Laws, last amended in 2020.

Governing Body

The Trustees of RHASS are known as Directors and are elected by the RHASS membership, as are the President and Vice Presidents, at the Annual General Meeting of Members last held in July 2020. With lockdown in place and restrictions on gatherings, the Society was unable to convene a face to face AGM and the AGM took place online for the first time in its history with members able to pre-register to attend.

As a body, the Directors represent a membership of around 15,000. 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.

The Board is comprised of up to 59 Directors, all of whom are Charity Trustees and all are equally responsible for the strategic management and governance of the Charity, regardless of title.

In 2020, reflecting the importance of continuity and stability within the governance of the Society, the Board and Members at the AGM agreed to extend a number of office bearer roles by one year. These changes were time-limited and in relation to the exceptional circumstances occasioned by the global pandemic.

Recruitment and Training of Directors

Vacancies on the Board are advertised annually to Members. Procedures for election are stated within the Royal Charter and Bye-Laws.

Once elected in line with the constitution and OSCR's requirements, Directors are provided with a comprehensive induction pack, which includes the Royal Charter and Bye-laws, up-to-date information about the activities of RHASS, an outline of the role, responsibilities and liabilities of Directors and the remit of Board Committees. A formal presentation supplements the information provided by the induction pack.

Each year, prior to commencing their directorship term, new and existing Directors are invited to an induction session with the members of the Executive Committee, fellow Directors and RHASS's senior management. In normal years this is hosted at Ingliston House, however in 2020 with lockdown and travel restrictions in place, our Director induction moved to a virtual platform.

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 and audit. 3rd year Directors undertake a guidance and mentoring role for new Directors.

Organisational 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, consists of up to eight Directors: the Chairman, Immediate Past Chairman/Chairman Designate, Honorary Secretary, Honorary Treasurer and up to four Directors (elected by the Board to serve a three-year term, renewable once on re-election). It is advised by the Chief Executive and may appoint external specialist advisers.

Following the decision on 17 March 2020 to cancel the 2020 RHS, the Board, recognising that the Society might need to be able to take far-reaching decisions at short notice and it might not be practicable to convene a full Board meeting nor wait for a decision outwith a meeting, delegated its powers, authorities and discretions in full to the Executive Committee.

The Executive Committee normally meets around 11 times a year. In the financial year under review, the Executive Committee met 20 times, reflecting the need for the Society to react swiftly to a volatile and dynamic environment. The Board continued to meet as planned to advise and to receive reports from the Executive Committee. The full delegation was rescinded in October 2020 as, whilst the impact of the Covid pandemic remained, the anticipated need for the exceptionally rapid response which had necessitated the delegation was judged to have moderated.

There are eight other Board Committees, these are:

1. Audit Committee, chaired by John Seed
2. Development and General Purposes Committee, chaired by Neil Thomson
3. Finance Committee, chaired by the Honorary Treasurer, John Sinclair
4. Office Bearers Committee, chaired by the Chairman, Bill Gray
5. Partnerships Committee, chaired by Andrew Hornall
6. Public Relations and Education Committee, chaired by Susan Lawrie
7. Remuneration Committee, chaired by the Honorary Treasurer, John Sinclair
8. Risk Management, Health & Safety Committee, chaired by the Honorary Treasurer, John Sinclair in his capacity as Chief Steward of Public Safety

The Chair of each of these Committees reports to the Board of Directors and the Committees make recommendations to the Board for approval.

The Board has appointed Colin Crosby as an independent external member of the Audit Committee from January 2021. Colin, a lawyer and CA with a financial services career, comes with extensive relevant experience having recently been a Council and Audit Committee member of ICAS, Chair of VisitAberdeenshire and historically a member of the MacFadyen committee which gave rise to OSCR. He currently sits on the Board of Audit Scotland.

Key Management Personnel 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 and membership, a significant majority of Directors have particular 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.

This year, no Executive Committee remuneration was claimed or paid following the decision taken by the Board on 17 March 2020 to cancel the 2020 Royal Highland Show. Whilst travel requirements were obviously much reduced after that date, the number of meetings and time spent on other Society business increased significantly.

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 32.

The pay of RHASS's Chief Executive, the Director of Operations and the Society Secretary, along with that of the wider staff team, is reviewed annually by the Remuneration Committee which makes recommendations to the Executive Committee, to which staffing matters are delegated, and normally increased with reference to average earnings, taking into account relevant benchmarks.

This year, reflecting the significant impact of the Covid pandemic on the Society's income, all members of the Senior Management Team volunteered to take a pay cut for the year. This was progressive (ranging from 10% to 20%), with those on higher salaries taking a larger percentage reduction.

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

Group Structure and Relationships

RHASS has a wholly owned trading subsidiary, Highland Centre Ltd (HCL, company number SC265245). The activities of this company are consolidated into the financial statements of RHASS. Whilst the cancellation of the Royal Highland Show 2020 made the headlines, the impact of the pandemic on the wider events sector, and hence HCL, which facilitates third-party events at the Ingliston showground to generate income to support RHASS's charitable activities, was significant. Following the almost complete shutdown

of the events industry and almost 80% drop in revenues, HCL was able to diversify in the year to generate new income streams from organisations able to operate under Covid restrictions such as government-backed film making clients and the Royal Mail.

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 the charity. RHET is an independent charity with a separate board of trustees from RHASS, 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, but the strategic direction of RHET is controlled by the independent 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.

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 advent of a black swan risk - the COVID-19 global pandemic - resulted in the cancellation of the Royal Highland Show 2020 and the cancellation or postponement of almost all events scheduled for the Royal Highland Centre for the remainder of 2020. Diversifications based on RHASS's property holdings, many of which are connected to airport travel, were also significantly affected.

RHASS reacted quickly to the outbreak to mitigate health and safety risks to its staff, volunteers and event attendees by cancelling the 2020 Royal Highland Show, reducing the on-site staffing levels via the operational closure of the Ingliston site and moving other roles to working at home. The cancellation of the Show and wider events has had a significant financial impact on RHASS and its group and will continue to do so for the rest of the upcoming year and potentially beyond.

We extended the funding package from our lenders, the Royal Bank of Scotland, making use of the UK Government-backed, CBILS scheme. We have also made significant use of the UK Government's Job Retention (Furlough) Scheme. A comprehensive programme of cost reduction to address the financial impact was undertaken and a significant restructure was completed. More information on the financial impact on RHASS and its group is outlined in note 1 to the financial statements.

As well as reducing costs, RHASS also sought new sources of income including launching a highly successful fundraising campaign, receiving Scottish Government grant funding and engaging with new clients such as film making companies and the Royal Mail, which were able to operate safely and legally under Covid restrictions. From February 2021, the site has also been used as an NHS vaccination centre, bringing in much-needed income and helping the fight back against the pandemic.

We have also been pursuing a significant business interruption claim following the FCA's successful approach to the Supreme Court, which concluded on 15 January 2021. As this report was being finalised it was confirmed that we would receive a £1.8 million interim payment against our claim for the year of £2.2 million. We continue to pursue the rest of the claim.

The extreme volatility of the external environment necessitated a more dynamic approach to risk identification, mitigation and management than might be the case in less unpredictable times. The Board put in place a Gold/Silver/Bronze structure, adapted from the command structure used during the Royal Highland Show, reporting into the Executive Committee and Board, with swift decision-making enabled at the height of the crisis by delegated authority to the Executive Committee.

The Executive Committee and Senior Management continue to meet regularly and monitor the effectiveness of all these measures.

Whilst the immediate focus has been on the strategic, operational and financial risks caused by the pandemic and consequent lockdown, other medium to longer-term risks remain. The key ones identified by RHASS and their mitigations include:

- Changes to West of Edinburgh through further development, including future expansion of Edinburgh Airport – the Society has invested and continues to invest heavily in the Showground and site-wide infrastructure at Ingliston to ensure we 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 towards Ingliston, presenting both opportunities and risks to the Society.
- One matter that has been identified as a potential risk for a long period of time has been any expansion of Edinburgh Airport and the wider impact of development of the West of Edinburgh corridor towards Ingliston. Whilst the Airport's current plans do not impact on RHASS's operations in the medium term, RHASS continues to monitor the situation and take steps to mitigate the risk. RHASS benefits from protection upon land situated at Norton (designated for future plans for Scotland's National Showground). RHASS is taking steps to ensure that this designation is protected and that future activity around transport, infrastructure and spatial planning, in the local development context, is monitored with RHASS able to input as required. The local development landscape is kept under review and discussed regularly by Directors and appropriate representations made to City of Edinburgh Council and other consultations.
- Sustainability of the Royal Highland Show – prior to the outbreak of the Covid pandemic, the RHASS Board had approved two key projects for the RHS looking at long-term risk to the event and its sustainability:
- Transport and Travel to the Show – RHASS benefits from great transport links as a result of RHASS's location in the West of Edinburgh close to Edinburgh airport. The short-term impact of the Covid pandemic is likely to lead to increased reliance on non-public transport, and the Board is well aware of the challenges relating to capacity on the local road network and for parking. A 'Strategic Transport Project' was implemented with the objective of influencing future travel behaviours of customers without reducing attendance figures. This is intended to ensure that the event can continue to meet the increasing attendance of the event without creating new and variable cost areas. This project will be reviewed in the light of changed circumstances and attitudes once the restrictions on gatherings are eased.

- Ticketing - A 'Strategic Ticketing Plan' was implemented with the objective of influencing customer buying behaviours and reducing the exposure of bad weather affecting ticket sales. This project will help protect future revenues from external and uncontrollable factors and was accelerated as a result of the pandemic.
- Directors' succession, recruitment and retention – the Society has identified that the continued attraction, development and retention of appropriately skilled volunteers to act as trustees (known as directors within RHASS) is a key risk. Whilst this is a risk for all charities, it is of specific relevance to RHASS, given its particular board structure with directors being drawn from the membership and representing all regions of Scotland. This risk is being mitigated through a series of measures, including increased training, strategic development and an increased focus on induction processes. RHASS has invested in video- conferencing technology to enable directors to attend meetings remotely, as well as amending its governance processes, at the AGM in 2018, to make more efficient use of director time and charitable resources. Mindful of the importance of diversity within an organisation, RHASS piloted Scottish Government unconscious bias training at board and senior management level during the year.
- 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 Highland Centre Limited. Directors have taken steps to review management processes and made appropriate investment in key risk areas that may impact on reputation, whether that be facilities, in terms of our new pavilion, or in infrastructure needed to deliver modern events. Directors and management are fully aware of and briefed on key reputation risks and, when issues arise, these are given appropriate scrutiny and mitigating actions taken.
- Animal health during Royal Highland Show (RHS)/ human or animal disease outbreak - A deep review of animal health processes and procedures relating to events at the Royal Highland Centre and the RHS was undertaken in 2018. Alongside the Animal and Plant Health Authority, we have had regular, high-level meetings with Scottish Government and the Chief Veterinary Officer. Plans and mitigation measures are in place and are kept under review.
- Data security/cyber risks – In common with all organisations, RHASS faces an increased risk in terms of data, and wider cyber, security. Recognising this, the Board appointed a senior manager with lead responsibility for data privacy and security. A cybersecurity group, which includes senior staff and our IT and network contractor Why Settle, reviews key risks to the business from a digital and physical perspective in relation to cybersecurity and training and guidance is provided to staff and trustees. RHASS has strong technical defences in place, which are kept under regular review.

The key risk controls used by RHASS include:

- Dynamic risk management through the Gold/Silver/Bronze structure feeding into the Executive Committee and Board and regular interim Board and Executive and other Committee meetings.
- 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 for decision-making. This framework is kept under review and revised as necessary 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 and leadership matters.
- Succession planning for key Board roles such as Chairman 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.

The Trustees have considered RHASS's exposure to risks relating to the UK's departure from Europe and the potential impact on future trading relationships and the UK and Scottish political situation. Ahead of the original March 2019 deadline, senior management and Directors considered the risks to which RHASS and the wider sector was exposed and engaged with stakeholders to understand the wider landscape. The Trustees do not consider the Society to be exposed to significant direct risks. The impact on the sector, and therefore potential indirect risk however, remains unquantified and the situation continues to be kept under review.

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.

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 £20,294,108 (2019: £20,082,461) 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 ACTIVITIES

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

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 how we achieve them and how we measure our achievements.

Review of achievements and performance

Despite a challenging year when it was not possible to undertake fulfilment of our charitable objects in many of our customary ways, RHASS is pleased to note the strength of performance linked to the following key charitable aims from RHASS's Charter.

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

RHASS is committed to promoting and protecting the interests of our Members and wider beneficiaries. It does this in numerous ways including:

The Royal Highland Show - a showcase for the best in farming, food & rural life. The pandemic, of course, prevented us from holding what would have been the 180th Royal Highland Show in 2020. However, RHASS was born out of adversity and a drive to greater innovation and we worked closely with partners and stakeholders to bring as much of the flavour of the Show to a virtual audience as possible. We also developed a podcast series with OnFarm, featuring RHASS's Chairman and Chief Executive, RHASS members, Show exhibitors and others to reflect on what the Show means to us all. This assisted in the development of the young OnFarm brand into one of the best performing podcasts, in the top 10% globally, and regularly appearing in the top 10 of the "food related" charts. We also worked closely with the BBC, whose Landward programme provided a fantastic retrospective celebration of the Show, and other organisations to celebrate and promote the long-term nature of RHASS's work and impact.

Stakeholder engagement - RHASS Directors and staff attend numerous events, debates and conferences throughout the year (this year mostly virtually) to ensure our 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. During the year, because of the challenges faced by the events sector and resulting impact on RHASS, there was an increased involvement in the Events Industry Advisory Group and the Return to Events subgroup. This involvement has been essential to support RHASS and HCL activities and to ensure the voice of other rural events, in particular the rural and agricultural shows, are heard by those involved in policy formation during challenging times. RHASS also regularly engages 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. Furthermore, RHASS supports a number of sector organisations including RSABl, 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, in normal years, providing complimentary tickets to the Royal Highland Show for long service award winners, and the SAYFC to facilitate their involvement in the Show. This sadly was not possible in the year under review and many of our other activities in this regard were curtailed due to the impact of the pandemic. However, we did provide

free meeting space and services within the Royal Highland Centre for rural organisations prior to lockdown and RHASS also provided the use of the Lowland Hall to RHET for its Fundraising Gala. The value of this is estimated to be around £24,000 in the year under review.

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 Fergus Ewing, Cabinet Secretary for Rural Economy and Tourism. 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.

Disseminate knowledge of agriculture and allied industries to farmers and the community at large by supporting courses of study, awarding certificates or scholarships, nurturing education and understanding of young people and the public at large in relation to the management of land, rural resources, the environment and the social fabric of the countryside.

As a main funder of The Royal Highland Education Trust (RHET), RHASS supports RHET's work to deliver curriculum-linked educational activities and experiences. With the closure of schools and restrictions on travel, from March 2020, RHET was unable to facilitate farm trips and school visits, the mainstay of its work. Reflecting the spirit of innovation throughout the group, RHET focused on its online presence, engaging with teachers around key parts of the school curriculum.

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's support of the Gaelic language dates back to the early days of the Society and we provide a medal and monetary award to the Gaelic Learner of the year, chosen annually by An Comunn Gàidhealach, organisers of the Royal National MoD. The organisers of the MoD took the decision not to present awards this year as a result of the pandemic. However, we look forward to renewing our support through this award in the near future.

RHASS also 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 and RHET collaborated to develop a programme of support from Scottish Government to ensure the work of RHET is available to all schools and children in Scotland. This project was launched at RHS 2019 with funding seeking to widen the base of support, knowledge and participation across Scotland, with particular focus on hard to reach areas, audiences and areas of deprivation. It is hoped this can be an ongoing initiative and further funding can be achieved despite changes required following the Covid pandemic.

Hold and support shows, trade fairs, exhibitions, conferences or other events relating to livestock and other animals, agricultural and other machinery and implements and agriculture and rural produce

We were unable to hold the 180th Royal Highland Show in 2020 as a result of the global pandemic. We know how important the Show is to our agricultural community but it is also a milestone in the Scottish event calendar and a global shop-window for Scotland. Research undertaken following the 2019 show identified that 55% of visitors were non-rural

and reasons for attending included that it was a great day out and a major event in the social calendar, to view livestock and machinery and to watch horse events. 94% of visitors said the Show had a great atmosphere and 86% were likely to recommend visiting the Show.

The RHS is also an important way of influencing the next generation of food consumers and, in order to support this, in normal years RHASS provides free access to the show for anyone aged 15 or under.

Fittingly for an innovation award, we took our Technical Innovations Awards fully online this year and awarded two gold medals, six silver medals and five certificates of commendation. With a remit to reward innovation in the design and manufacture of machines, equipment and appliances, the awards are the oldest presented by RHASS, which gave its first award for an implement in 1793, to a "new-invented plough of an improved construction adapted for the culture of Highland farms". The awards, while normally closely linked to the RHS were highly successful and received a record entry as the sector sought to gain exposure in a difficult year.

This year RHASS continued to support Scotland Food & Drink and is a regular supporter of the Scotland Food & Drink Excellence Awards and the Scottish Rural Awards - both unfortunately cancelled this year because of the pandemic.

RHASS also sponsored the Horsescotland National Equestrian Awards which were able to take place in early March.

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

RHASS's headquarters, Ingliston House, is a Grade A listed building that houses various works of art, artefacts, books and historical documents relating to the Society's history and the history of rural Scotland, providing the relevant context within which current agricultural practices sit. RHASS holds extensive records and books about Scotland's historical geographical plans, roads and bridges, infrastructure, land-holding data, genealogy and agricultural information, as well as archives on some leading influencers and politicians over a 130-year period.

Much of this information is still of interest today but was inaccessible to the general public. As part of a project funded by the Heritage Lottery Fund, records have been catalogued and scanned into a highly accessible online archive accessed via RHASS's website. Work is ongoing to continue to make more of the records that RHASS holds available to the public whether that be online or by welcoming members, scholars and other interested parties to Ingliston, when this is once-again possible, to view the collections.

RHASS is proud to recognise the achievements of long-serving and talented employees and each year recognises individuals who have worked in the industry for the same employer for a considerable number of years. This year 66 awards (2019: 94) were presented to individuals in the land-based and rural industries representing a total of 2,358 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. The results of these projects are presented to the RHASS Board of Directors and shared with RHASS's Members and the wider rural community as appropriate.

During the 2019/2020 year, awards of £268,808 were awarded.

Given the restrictions in place for the majority of the year, a number of grants awarded were unable to be utilised in the current financial year, particularly those that involved travel and gatherings. The Board agreed to maintain the commitment to those individuals, organisations and events and rolled the awards over to be used the following year, recognising the need for flexibility of support.

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

Significant awards were made in the field of education, notably to the Royal Highland Education Trust.

Furthermore, the Society continued its long-term support of RSABI. Following a three-year, £42,000 programme of support for the RSABI Helpline, an additional grant of £48,000 for a further three years to extend the reach of RSABI's helpline to include outreach was agreed in 2018, with the second tranche of £16,000 paid in 2019/20.

RHASS continues to host, administer and support the Scottish Shows' Forum, enabling sharing of knowledge and best practice across the sector. This year the support has included engagement and information sharing with the Scottish Government and stakeholders in the events sector, ensuring that the important role of regional shows is never forgotten.

Cooperate with government departments and other organisations concerned with or interested in agriculture, food and rural affairs.

RHASS continues its role in actively participating in industry initiatives and promoting the interests of the membership and the wider rural community, as well as facilitating discussions with industry partners on key issues impacting the industry.

This year we supported feasibility reports and efforts of a new grouping looking to support the launch of an organisation in Scotland to support the physical and mental health of farmers.

RHASS is one of the key stakeholders in the Women in Agriculture (WiA) group, which was launched in Spring 2016. This initiative is a collaborative project including representatives from Scottish Association of Young Farmer Clubs (SAYFC) with which RHASS has strong ties. The group aims to recognise and develop the collective contribution of women to farming, forestry and rural businesses all over Scotland, whilst signposting support and development opportunities. Work has continued to formalise the group and membership with inaugural elections and formalisation happening during the year. RHASS continues to be represented on the group through elected members.

RHASS continues to support government policy development in various ways with engagement in working groups and parliamentary cross-party meetings.

INVESTMENT POLICY AND PERFORMANCE

Recognising the negative impact on investments of COVID-19, the portfolio managed by Smith & Williamson was liquidated, on the Trustees' instruction, on 17th March 2020 to minimise further losses.

As at 30th November 2019, the portfolio was valued at £276,077. Over the period to 16th March 2020, the day before liquidation, the portfolio, adjusted for cash movements, declined in value by 19.57% on a total return basis. The MSCI PIMFA Balanced Index declined by 17.68% over the same period. The portfolio was liquidated on 17th March 2020 realising £208,327.

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. 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 2020

The year to February 2020 was positive, with good progress made against budget in all areas and plans for our 180th Show well developed following the previous year's record attendance.

The impact of the pandemic from March onwards had a significant negative financial impact on the Society in the context of a planned and budgeted deficit, with the cancellation of the Royal Highland Show (RHS), along with the almost complete shutdown of the events industry and the negative impact on RHASS's diversified property interests of the prolonged pandemic restrictions, leading to a £4m drop in overall income from 2019 (2020: £5m, 2019: £9m).

The decision of the Board to cancel the RHS on 17 March 2020 meant that we were able to curtail RHS expenditure at just under £1.5m (2019: £5.0m). Other cost-containment measures during the year included the operational closure of the Ingliston site, saving around £0.3m over the year. The Board took the difficult decision to restructure, resulting in 15 members of staff leaving the organisation by October 2020. As this was close to the end of the financial year and redundancy costs were incurred, the reduction in total staff costs including pensions (2020: £1.8m, 2019: £2m) was limited in this year, but will flow through in the 2021 financials. In recognition of the financial position of the Society, the Senior Management Team took voluntary pay reductions ranging from 10% to 20% on a progressive basis. The Society made use of the Coronavirus Job Retention Scheme, claiming just under £0.3m in year. Total expenditure for the year was held at £5.3m (2019: £9.8m).

Mitigating the worst impacts of the pandemic, income from membership (2020: £0.5m; 2019: £0.6m) and sponsorship (2020: £0.3m, 2019: £0.6m) held up well for what was a no-show year, for which the Society is very grateful to its loyal members and sponsors. In line with the Board's strategy to develop additional, sustainable income streams, the Society launched an ambitious £2m long term fundraising campaign, which raised just over £0.25m in the last four months of the financial year, an incredible outcome for a charity which has not undertaken regular, sustained fundraising in the past. We are grateful and humbled by the support of our members and others for our Save Your Show campaign. We also received a further £0.22m in support of the capital campaign for the new members pavilion and event space.

When the impact of the pandemic became clear, we quickly agreed a package of support with our principal lenders, RBS, with a capital moratorium on payments until July 2021 agreed and the securing of a £2.5m CBIL loan. The Society has a long-term repayment strategy in place for its loan facilities.

Carrying on with the theme of exploring all potential additional income sources, we received almost £0.5m of grant funding from the Scottish Government's Pivotal Enterprise Resilience Fund and through use of the UK Government's Coronavirus Job Resilience (Furlough) Scheme. Royal Mail and a filming client took occupation of parts of the site, two of the very few uses permitted under lockdown restrictions, mitigating the worst of the impact on HCL income (2020: £0.45m, 2019: 2.1m).

Despite challenging financial conditions, the Board continued its support for awards and grants in line with our charitable objects to the value of £0.26m (2019: £0.33m). The reduction related to a reduced requirement for support from the Royal Highland Education Trust (RHET), due to the improved stability of RHET's finances.

Governance costs were significantly reduced at £0.3m (2019: £0.5m), despite audit costs being significantly higher than in previous years due to Covid-related uncertainty and detailed audit checks carried out by the Society's auditors at the time, Ernst & Young LLP. The reduction was largely related to the reduced cost of virtual meetings for an organisation whose trustees are selected from across the whole of Scotland with consequent costs for in person meetings.

In late March 2021, as this report was being finalised, we received confirmation of a £1.8m interim payout against a business interruption claim for £2.2m in the financial year.

Overall, the deficit on a consolidated basis was constrained at £(0.3)m (2019: £(0.5m)). Whilst we still carry the additional £2.5m of debt taken out from RBS when the impact of the pandemic became clear, it is encouraging that in such a difficult year we have managed to staunch our losses and maintain our prior year position. The Board continues to plan for the post-pandemic recovery.

Fixed assets show a year-on-year increase of just under £1m this year with depreciation costs of £1.1m against £2.1m additions to assets mainly due to the costs incurred in the completion of the new members' pavilion at Ingliston.

The total funds value of £ 20.4m (2019: £20.7m) in the Consolidated Balance sheet represents a decrease of £0.3 million from the previous financial year reflecting the deficit for the year.

The Directors of the Society have an established plan for reinvestment into the site at Ingliston and all the Society's property. This is designed to ensure that facilities are not only fit for purpose for RHASS's flagship event, the Royal Highland Show, but are also safe and sustainable and thereby able to generate essential income from the site all year round. This investment futureproofs the organisation and ensures that the charity assets are being used to their optimum potential. This strategy was validated as the Society was able to attract non-event clients both during the year (Royal Mail) and post-balance sheet (NHS) which would not have been possible without this investment in infrastructure and ongoing maintenance and compliance, resulting in a greater in-year loss and poorer future prospects.

Management has carefully reviewed budgets and cashflow forecasts and are confident that the organisation can meet all its liabilities as they fall due and therefore these accounts have been prepared on the 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.

It aims to achieve this by:

1. Being a well-governed Society with clarity of aims and a strategic approach. The Board sets the strategy of the Society and monitors progress against it. Governance policies and procedures are kept under review in order to ensure they remain fit for purpose.
2. Maximising the opportunities to be financially sustainable and secure. This will be achieved by maintaining and building on the performance of Royal Highland Show (RHS) and reviewing opportunities for new income streams from events and land-related income. We will continue to invest in the Royal Highland Centre to meet our goal of further developing as a leading events venue in Scotland ensuring a diversity of income streams to support our charitable aims. Success will be measured by growth in income returns, greater risk diversification and increased charitable expenditure. One of the significant ways in which RHASS has been looking to meet this aim is the completion of a replacement for the MacRobert pavilion in time for the 2020 RHS. The new building is hoped to become a hub for collaboration within the agricultural and rural community, it provides an events space for wider use, it is already providing additional income which RHASS can devote to its charitable activities.

The venue was completed on budget and on time in Spring 2020 and had a number of events already booked. However, at the time of writing, the impact of COVID-19 has meant many planned events for early 2021 have been cancelled or postponed. We are developing our strategy to relaunch the venue and the wider Royal Highland Centre site, when restrictions on gatherings are lifted. The Society is pleased that one of the first opportunities to use the new building was in supporting the NHS in its vaccination efforts. There can be no better use to allow benefit to the public and hasten a return to events, like the RHS and others, for our members' benefit, as soon as possible.

3. Supporting and adding value to our members by developing clear member benefits, including a move to digital platforms and engagement.
4. Bringing farming and the working countryside and its practices to life for young people and supporting the next generation of rural leaders by maintaining our support for the Royal Highland Education Trust (RHET), the requirement for which, due to the improved stability of RHET's finances, has reduced from previous years. We have also continued our investment in other grants and awards, which have broadly held steady this year.
5. Enabling and developing our activities to fulfil our stated charitable aims and identifying opportunities to develop, widen and continue the work of the Society beyond the RHS.
6. Remaining an influential body in the promotion of Scotland's farming, food and rural life and providing a safe place for debate around Scotland-wide rural matters.

7. Investing in our three core areas: our infrastructure, technology and digital resources, and our people.

RHASS's long-term plan is to build surpluses to pay down debt and increase reserves to fund future charitable activity.

The global pandemic obviously impacts these objectives in the short and potentially medium term. The Directors are focused on ensuring that RHASS remains on a sustainable footing whilst continuing its support of the sector in new and innovative ways during this unprecedented time.



Bill Gray, Chairman

14 April 2021

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 2020.

President

Fiona Armstrong
Lady MacGregor
Lord Lieutenant of Dumfries

Vice Presidents

Alasdair Houston MBE
Hugh Ramsay MBE
Percy Weatherall
Alistair Marshall

Chairman

William G Gray

Chairman Designate

James C Warnock

Honorary Secretary

Allan J Murray

Honorary Treasurer

John G Sinclair

Honorary Secretary Designate

James Logan

Honorary Vice Presidents

James G Dunlop
James F Warnock MBE

Area Directors

Aberdeen

John D McWilliam
Sarah Mackie
Christo Shepherd
Eric A Mutch

Lothian

Jacqueline McCreery
John G Sinclair
Louise Elder
William G Gray

Borders

Thomas Tennant
John Seed
Gordon Gray
Rob Livesey

Dumfries & Galloway

Matthew Currie
Heather M Wildman
Jim Hastings
Aylett Roan

Highland

A Kenneth Sutherland
William M Downie
Robbie Newlands
Martin MacDonald

Perth

Kay J A Adam
William F Arnot
Fiona Roebuck
Susan Lawrie

Stirling

James C Warnock
John Owen
Anne Logan, BVMS
Andrew Hornall

Strathclyde

Alexander Bankier
Bryce Sloan
Alexander C Wilkie
David C S Alexander

Extraordinary Directors

Philip Benzie
Fiona Ross
Kathryn A Dun
Elizabeth Vance
Tom Henderson
Val Smith
David Lyle
William Robb
Andrew Rennie
James Logan
Neil Thomson
Ian Beck
Dennis Bridgeford
D Bruce Lang
Gordon Sutherland
Keith Campbell
Kenneth Matheson
Ewan M Brewis

Extraordinary Director representing the British Agricultural and Garden Machinery Association (BAGMA):
Alasdair Straker

Extraordinary Director representing the Agricultural Engineers' Association (AEA):
Les Davidson

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

Martin Hall
Julian Pace

Chaplain

Reverend Alex Cairns

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

Immediate Past Chairman

James F Warnock, MBE

Management Team

Chief Executive

Alan Laidlaw

Society Secretary

Marie Livingstone

Director of Operations

Mark Currie

Finance Manager

Stuart Rae

Partnership & Fundraising Manager

Jo Andrews

Royal Highland Education Trust Executive Officer

Katrina Barclay

Commercial Director

Lorne Scott (to 31 October 2020)

Address

Ingliston House
Royal Highland Centre
Ingliston
Edinburgh
EH28 8NB

Registered Number:

SC004561

www.rhass.org.uk

0131 335 6200

Advisers

Bank

The Royal Bank of Scotland
30 Old Liston Road
Newbridge
Edinburgh EH28 8SS

Independent Auditor

From 15 October 2020:
Azets Audit Services
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Prior year:

Ernst & Young LLP
Atria One,
144 Morrison Street,
Edinburgh EH3 8EB

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:

A handwritten signature in black ink that reads "Bill Gray". The signature is written in a cursive style with a long horizontal stroke at the end.

Bill Gray
Chairman
Date: 14 April 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE ROYAL HIGHLAND AND AGRICULTURAL SOCIETY OF SCOTLAND

Opinion

We have audited the financial statements of The Royal Highland and Agricultural Society of Scotland for the year ended 30 November 2020 which comprise the consolidated and charity statement of financial activities (incorporating the income and expenditure account), consolidated and charity statement of financial position, consolidated statement of cash flows and the related notes 1 to 38, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 and charity's affairs as at 30 November 2020 for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 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 below. 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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report set out on pages 4 to 29, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 29, the trustees are responsible for the preparation of the financial statements and for being satisfied that give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and 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 management either intends to liquidate the group or charity or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE ROYAL HIGHLAND AND AGRICULTURAL SOCIETY OF SCOTLAND (continued)

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the group and charity's members, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the group and charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, the group and 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

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date *14/4/21*

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

	Note	Unrestricted Funds	Restricted Funds	2020 Total	2019 Total
Income From:		£	£	£	
Donations and Legacies	2	525,872	-	525,872	28,705
Charitable Activities					
Show related activities	3	365,627	-	365,627	4,822,656
Memberships	3	522,766	-	522,766	636,003
Other Activities	3	863,587	-	863,587	1,364,445
Trading Activities	4	450,556	-	450,556	2,149,398
Other Income	5	2,294,085	-	2,294,085	-
Investment Income	6	3,746	5,507	9,253	36,415
Total Income		5,026,239	5,507	5,031,746	9,037,622
Expenditure on:					
Cost of raising Funds	7	116,824	-	116,824	105,801
Charitable Activities	8				
-Show related Activities	9	1,427,588	-	1,427,588	4,961,915
-Memberships	10	1,463,041	-	1,463,041	1,183,475
-Other Activities	11	1,034,370	5,000	1,039,370	1,151,624
Trading Activities	12	1,231,176	-	1,231,176	2,347,434
Total Expenditure		5,272,999	5,000	5,277,999	9,750,249
Net (Expenditure)/Income on Operating Activities		(246,760)	507	(246,253)	(712,627)
Gains/Losses on investment					
Realised gains on sales of fixed assets		1,667	-	1,667	1,000
Realised gains/(losses) on investments		(62,965)	-	(62,965)	2,276
Unrealised gains/(losses) on investments	21	-	(17,412)	(17,412)	20,663
Unrealised gains on investment properties	20	-	-	-	200,000
Net (Expenditure)/Income		(308,058)	16,905	(324,963)	(488,688)
Corporation Tax		-	-	-	-
Net (Expenditure)/Income after tax		(308,058)	16,905	(324,963)	(488,688)
Actuarial losses on Defined Benefit pension Scheme	34	(24,000)	-	(24,000)	(24,000)
Net movement in funds		(332,058)	16,905	(348,963)	(512,688)
Reconciliation of Funds					
Total Funds Brought Forward		20,631,291	134,220	20,765,511	21,278,199
Total Funds Carried Forward		20,299,233	117,315	20,416,548	20,765,511

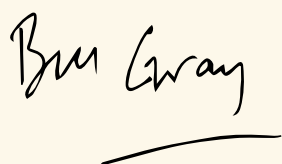
**Charity Statement of Financial Activities
(including income & expenditure account)**

	Note	Unrestricted Funds	Restricted Funds	2020	2019 Total
		£	£	£	£
Income From:					
Donations and Legacies	2	798,471	-	798,471	28,705
Charitable Activities					
-Show related Activities	3	365,627	-	365,627	4,822,656
-Memberships	3	522,766	-	522,766	636,003
-Other Activities	3	1,003,587	-	1,003,587	2,164,445
Other Income	5	2,223,141		2,223,141	-
Investment Income	6	328	5,507	5,835	29,295
Total Income		4,913,920	5,507	4,919,427	7,681,104
Expenditure on:					
Cost of raising Funds	7	116,824	-	116,824	105,801
Charitable Activities	8				
-Show related Activities	9	1,432,036	-	1,432,036	5,058,602
-Memberships	10	743,664	-	743,664	967,475
-Other Activities	11	2,464,164	5,000	2,469,164	2,251,822
Total Expenditure		4,756,688	5,000	4,761,688	8,383,700
Net income/(expenditure) and net movement in funds before Gains & Losses on Investments		157,232	507	157,739	(702,596)
Gains/Losses on investment					
Realised gains on sale of fixed assets		1,667	-	1,667	1,000
Unrealised (losses)/gains on investments	21	-	(17,412)	(17,412)	7,035
Unrealised gains on investment properties	19	-	-	-	200,000
Net income/(expenditure)		158,899	(16,905)	141,994	(494,561)
Actuarial losses on Defined Benefit pension Scheme	34	(24,000)	-	(24,000)	(24,000)
Net movement in funds		134,899	(16,905)	117,994	(518,561)
Reconciliation of Funds					
Total Funds Brought Forward		20,237,317	134,220	20,371,537	20,890,098
Total Funds Carried Forward		20,372,216	117,315	20,489,531	20,371,537

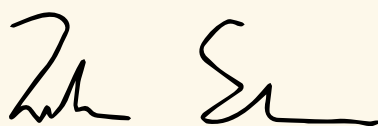
Consolidated Balance Sheet

	Notes	2020	2019
Fixed Assets			
Tangible Assets	19	24,052,871	23,063,255
Investment Properties	20	4,100,000	4,100,000
Investments	21	315,316	608,160
		28,468,187	27,771,415
Current Assets			
Stock		5,100	8,100
Debtors	22	2,388,952	1,103,845
Cash at Bank and in Hand		2,549,577	360,505
		4,943,629	1,472,450
Creditors: Amounts falling due within one year	23	3,092,677	3,034,761
Net Current Assets/(Liabilities)		1,850,952	(1,562,311)
Long Term Liabilities			
Bank Loan	24	9,902,591	5,443,593
Pension Scheme Asset	34	-	-
Net Assets		20,416,548	20,765,511
Represented by:			
Unrestricted - general funds	25	20,294,108	20,082,461
Unrestricted - designated funds	25	5,125	548,830
Restricted funds	26	117,315	134,220
Total Funds		20,416,548	20,765,511

APPROVED ON BEHALF OF THE DIRECTORS:



William G Gray
Chairman



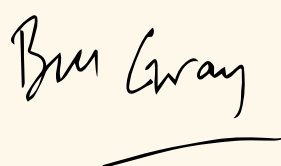
John G Sinclair
Honorary Treasurer

14 April 2021

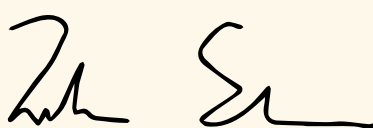
Charity Balance Sheet

	Notes	2020	2019
Fixed Assets			
Tangible Assets	19	24,048,059	23,044,429
Investment Properties	20	4,100,000	4,100,000
Investments	21	314,771	332,183
		28,462,830	27,476,612
Current Assets			
Stock		5,100	8,100
Debtors	22	2,387,114	871,919
Cash at Bank and in Hand		1,986,406	24,649
		4,378,620	904,668
Creditors: Amounts falling due within one year	23	2,449,328	2,566,150
Net Current Assets/(Liabilities)		1,929,292	(1,661,482)
Long Term Liabilities			
Bank Loan	24	9,902,591	5,443,593
Pension Scheme Asset	34	-	-
Net Assets		20,489,531	20,371,537
Represented by:			
Unrestricted - general funds	25	20,367,091	19,778,487
Unrestricted - designated funds	25	5,125	458,830
Restricted funds	26	117,315	134,220
Total Funds		20,489,531	20,371,537

APPROVED ON BEHALF OF THE DIRECTORS:



William G Gray
Chairman



John G Sinclair
Honorary Treasurer

14 April 2021

THE ROYAL HIGHLAND AND AGRICULTURAL SOCIETY OF SCOTLAND

Consolidated Statement of Cash Flows for the year ended 30 November 2020

	Notes	2020	2019
		£	£
Net cash (outflow)/inflow from operating activities	27	(275,423)	822,645
Cash flows from investing activities			
Interest and dividends received		9,253	36,415
Payments to acquire tangible fixed assets		(2,148,708)	(4,153,436)
Sale of tangible fixed assets		1,668	2,000
Payments to acquire investments		-	(99,815)
Movement of cash within investments		4,140	21,255
Sale of investments		208,327	73,373
Rent received from investment properties		160,408	139,079
Net cash used by investing activities		(1,764,912)	(3,981,129)
Cash flows from financing activities			
Borrowings from bank loans		4,488,441	1,011,559
Repayments of borrowings		(105,739)	(240,549)
Interest paid		(153,295)	(133,497)
Net cash from/(used by) financing activities		4,229,407	637,513
Increase/(decrease) in cash and cash equivalents		2,189,072	(2,520,971)
Cash and cash equivalents at 1 December 2019		360,505	2,881,476
Cash and cash equivalents at 30 November 2020		2,549,577	360,505

Notes to the Financial Statements

1. Accounting Policies

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 and 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. The impact of Covid-19 has had a significant impact on the financial plans of the Society. In particular, the financial impact of cancelling the 2020 Royal Highland Show and other planned events for 2020, as well as longer term uncertainty around the future of mass gatherings in the country. At the date of writing, RHASS has just had to cancel the RHS 2021 and is exploring options for an online alternative. This alternative is subject to scoping and board approval and is only likely to go ahead if it can be achieved on a breakeven basis.

RHASS addressed the financial challenges caused by the cancellation of the RHS 2020 and wider impact of the pandemic through the following measures:

- We extended the funding package from our lenders, the Royal Bank of Scotland, making use of the UK Government-backed, CBILS scheme. We have also made significant use of the UK Government's Job Retention (Furlough) Scheme. A comprehensive programme of cost reduction to address the financial impact was undertaken and a significant restructure was completed.
- As well as reducing costs, RHASS also sought new sources of income including launching a highly successful fundraising campaign, receiving Scottish Government grant funding and engaging with new clients such as film making companies and the Royal Mail, which were able to operate safely and legally under Covid restrictions. From February 2021, the site has also been used as an NHS vaccination centre, bringing in much-needed income and helping the fight back against the pandemic.
- We have also been pursuing a significant business interruption claim following the FCA's successful approach to the Supreme Court. As noted elsewhere in this report, we received an interim payment of £1.8 million against a £2.2 million total claim for the year in March 2021.

The Society continues to engage with its tenants, a number of whom have been significantly impacted by the pandemic, around existing rental agreements on a case by case basis. Financial forecasts have been updated on a prudent basis.

The Directors therefore believe that the financial outlook through to at least one year from the approval of these financial statements is manageable 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 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.

Grants received in support of the Society's promotions are taken into income in the year to which the support relates. Grants received towards capital developments are recognised in income on a systematic basis over the expected useful life of the asset. Capital grants are treated as deferred income until such point as construction of the relevant asset is complete as this is considered the primary condition of the grant. Once this condition is met, the grant is then recognised in its entirety.

Subscriptions for Life by Instalments, Term and Annual Membership are released as income wholly in the year of receipt. Fully paid Life Memberships since 2005, are released over a five year period 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.

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 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 in cash are included in the heading of Prizes and Awards in Note 17 in the Notes to the Financial Statements. Wherever possible such grants are accounted for on an accruals basis so that they appear for the year to which the award relates. 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 taken wholly in the year of payment.

f. Taxation

The Society is 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 (including development costs) are not depreciated until the asset is in operation; when in operation, the asset is transferred to the appropriate fixed asset class and depreciated at the appropriate rate from the first year of use.

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.

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

Investments are stated at fair value on the balance sheet date. 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. 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 long-term memberships this is expected to be five years.

Lease premiums are amortised over the period of the lease.

l. Operating leases

Operating Lease rentals are charged to the Statement of Financial Activities on the basis of initial deposits and periodic rentals paid in the course of the financial year.

m. 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 prizewinnings. 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 of our trophies and other heritage items was interrupted by the pandemic. We intend to conclude this valuation when restrictions permit.

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

There are a number of actuarial assumptions used in the quantification of the group's pensions commitments which are described in Note 34.

2	Income from donations and legacies	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
	Donations and legacies received	525,872	28,705	525,872	28,705
	Donation from subsidiary *	-	-	272,599	-
		525,872	28,705	798,471	28,705

* Relates to a donation from the Royal Highland Society Development Trust - see note 21.

3	Income from charitable activities	2020	2019
	Income from Royal Highland Show	£	£
	Entry fees for livestock and competitions, trade stand income and royalties	8,072	2,081,336
	Gates and car park revenue	(483)	2,056,251
	Sponsorship, advertising and publication sales	327,550	599,952
	Other income	30,488	85,117
		365,627	4,822,656
	Income from membership		
	Membership subscriptions	522,766	636,003

	Group		Charity	
Income from other charitable activities	2020	2019	2020	2019
	£	£	£	£
Rents from buildings, hotel signage and car parks	830,389	1,334,129	970,389	2,134,129
Other Society income	33,198	30,316	33,198	30,316
	863,587	1,364,445	1,003,587	2,164,445

4	Income from trading activities	2020	2019
	The wholly owned trading subsidiary Highland Centre Ltd (HCL) is incorporated in the United Kingdom (Company Number SC265245)		
	Income from the Highland Centre Ltd	2020	2019
	Outside areas	59,085	341,563
	Exhibition hall lets	218,595	713,504
	Income from car parks	22,535	158,756
	Other income	150,341	935,575
		450,556	2,149,398

5	Other income	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
	Grants from UK Government Furlough scheme (CJRS)	294,085	-	223,141	-
	Scottish Government Grant funding	200,000	-	200,000	-
	Business interruption insurance claim	1,800,000	-	1,800,000	-
		2,294,085	-	2,223,141	-

The amount shown under insurance claim represents an interim settlement on a £2.2m claim under the Society's business interruption policy due to the impact of Covid-19 on activities in the year to 30 November 2020. We are pursuing the remainder of the claim. See note 36.

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9	Expenditure on Show-related activities	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
	Showyard preparation - materials & contractors	28,664	639,296	28,664	639,296
	Showyard preparation - hire of equipment	900	773,320	900	773,320
	Forage and bedding	-	20,632	-	20,632
	Remuneration and expenses of Show staff *	21,477	338,770	21,477	338,770
	Hotel and travelling expenses of Show staff	872	134,737	872	134,737
	Music and special events	6,484	132,694	6,484	132,694
	Public safety (including police & ambulance)	31,770	478,202	31,770	478,202
	Advertising and promotion	195,489	291,316	195,489	291,316
	Other expenditure	20,400	15,660	20,400	15,660
	Payroll and related costs	226,604	225,816	226,604	225,816
	Prizes & awards	17,948	207,056	17,948	207,056
	Depreciation	527,834	484,347	527,834	484,347
	Support and governance costs	349,146	1,220,069	353,594	1,316,756
		1,427,588	4,961,915	1,432,036	5,058,602
* 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	
		2020	2019	2020	2019
		£	£	£	£
	Prizes & awards	268,808	349,544	268,808	349,544
	Depreciation	56,133	47,034	56,133	47,034
	Support & governance costs	1,138,100	786,897	418,723	570,897
		1,463,041	1,183,475	743,664	967,475
11	Expenditure on other charitable Activities	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
	Unrestricted Funds				
	Society events	19,266	-	19,266	-
	Payroll and related costs *	482,603	448,203	482,603	448,203
	Depreciation	201,144	169,668	201,144	169,668
	Costs relating to subsidiary	-	-	346,668	318,811
	Support and governance costs (notes 13 & 14)	331,357	529,933	1,414,483	1,311,320
		1,039,370	1,147,804	2,469,164	2,248,002
* Includes costs relating to restructure, see note 15					
	Income from other charitable activities				
	Restricted funds				
	Awards from special funds	5,000	3,820	5,000	3,820
		1,039,370	1,151,624	2,469,164	2,251,822

12	Expenditure on trading activities	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
	Payroll and related costs	276,198	357,679	-	-
	Letting & contracting costs	189,983	921,073	-	-
	Depreciation	360,684	332,751	-	-
	Support costs	404,311	735,931	-	-
		1,231,176	2,347,434	-	-
13	Expenditure on Governance	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
	Cost of AGM & other meetings	53,647	214,886	52,612	212,623
	Audit fees *	105,500	62,395	100,500	61,790
	Professional fees	22,100	23,230	17,100	13,230
	Key management salaries	156,185	168,132	156,185	168,132
		337,432	468,643	326,397	455,775
* Audit costs were higher than prior years due to Covid-related uncertainty and detailed audit checks (see note 17 for breakdown). This is expected to be a one off additional cost.					
14	Support costs and analysis of expenditure by activity	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
	Society payroll	614,850	752,323	614,850	752,323
	Professional fees	173,534	144,198	173,534	144,198
	Estate costs	518,278	966,266	518,278	966,266
	Vehicle costs	5,143	14,360	5,143	15,310
	Rates	(24,812)	76,887	(24,812)	76,887
	Insurance	234,947	210,759	234,947	210,759
	Advertising and publicity	109,010	207,532	90,805	173,813
	Printing, stationery and communications	56,070	107,581	56,070	108,771
	Financial charges	33,338	111,980	32,511	108,181
	Interest charges on Loan	153,295	133,497	153,295	133,497
	Other costs	83,196	157,581	77,149	131,970
	Governance costs	337,432	468,643	326,397	455,775
		2,294,281	3,351,607	2,258,167	3,277,750
Support costs have been allocated as follows:					
	Cost of raising funds	71,367	78,777	71,367	78,777
	Show-related activities	349,146	1,220,069	353,594	1,316,756
	Trading activities	404,311	735,931	-	-
	Membership	1,138,100	786,897	418,723	570,897
	Other	331,357	529,933	1,414,483	1,311,320
		2,294,281	3,351,607	2,258,167	3,277,750

15 Staff costs	2020	2019
	£	£
Wages & salaries	1,436,959	1,575,511
Social security costs	121,625	161,513
Pension costs	197,857	215,131
	1,756,441	1,952,155
These have been allocated as follows:		
Fundraising activities	71,367	78,777
Show-related activities	362,475	394,203
Trading activities	412,069	526,066
Membership	135,871	168,387
Other	618,474	616,590
Governance	156,185	168,132
	1,756,441	1,952,155

During the year the charity paid £114,700 in exit packages to individuals who left the charity under voluntary or compulsory severance agreements including redundancies, as a result of a significant restructure. Where agreements were finalised in the financial year but not paid these amounts have been accrued in the financial statements in line with the accounting requirements under FRS102. All payments were approved in line with Board-delegated authority and funded through the charity's unrestricted reserves.

The monthly average number of employees during the year was 44 (2019: 49) of which 43 were permanent and 1 was temporary (2019: 47 were permanent and 2 were temporary), based on actual headcount. Following a restructure, completed in October 2020, 15 members of staff left the organisation. The split by activity is:

	2020	2019
	No.	No.
Fundraising	3	3
Show related activities	6	8
Trading Activities	7	9
Membership	4	4
Other	20	21
Governance	4	4

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

	2020	2019
	No.	No.
Between £140,000 - £149,999	-	1
Between £130,000 - £139,999	-	-
Between £120,000 - £129,999	1	-
Between £110,000 - £119,999	-	-
Between £100,000 - £109,999	-	-
Between £90,000 - £99,999	-	-
Between £80,000 - £89,999	-	2
Between £70,000 - £79,999	1	1
Between £60,000 - £69,999	2	-

In recognition of the impact of the organisation of the COVID-19 pandemic, the Senior Management Team members took voluntary pay reductions in-year. These were progressive (impacting most significantly on those in the higher pay bands) and range from 10% to 20%. The Senior Management Team also forewent entitlement to performance-linked bonuses in the year.

The contribution towards Pension Costs for employees where salaries were above £60,000 for the year ended 30 November 2020 was £27,400 (2019: £32,700). 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 £312,400 (2019: £336,300).

Of the pension costs, £121,857 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	2020	2019
		£	£
a)	Trustees' expenses reimbursed		
	The aggregate amount of expenses incurred and reimbursed to Directors was:		
	Directors' (5 in total (2019: 33)) expense claims for attending internal and external meetings	1,642	25,779
	Directors' (nil in total (2019: 71)) expense claims for attending the Royal Highland Show	-	38,384
	No trustees claimed any expenses or any remuneration (see note 16.b.) after the decision was taken to cancel the RHS 2020.		
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 £1,200 (2019: £4,250), Mr WL Gill £nil (2019: £2,450) Sir ID Grant £nil (2019: £800). Mr J Pace £nil (2019: £300), Mr K Campbell £nil (2019: £nil), Mr M Hall £400 (2019: £1,800). Mr WF Arnot £nil (2019: £1,300), Mr AJ Murray £nil (2019: £2,300), Mr JG Sinclair £725 (2019: £800). Mr JC Warnock £400 (2019: £400), Mr JF Warnock £nil (2019: £6,100)		
	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	Current auditor	Previous auditor
		2020	2019
		£	£
	Audit services *	39,250	-
	Non Audit services (Tax and Corporate Finance)	17,200	-
	* Audit costs were higher in prior year due to Covid-related uncertainty and detailed audit checks performed by the previous auditor. This is expected to be a one off additional cost.		
18	Grants Paid	2020	2019
		£	£
	Royal Highland Education Trust	185,507	252,466
	RSABI	16,000	16,000
	Nuffield Scholarship	15,000	-
	Moredun Institute	10,500	6,000
	SAYFC	8,350	3,500
	Edinburgh Veterinary School	6,000	-
	Horsescotland	5,000	5,000
	Glasgow Veterinary School	3,000	2,904
	RHASS charitable scoping work for health and wellbeing initiative	3,000	-
	Oxford Farming Conference - grant for delegates	2,576	2,249
	Scottish Beekeepers	1,800	1,800
	Scottish Farriery Awards	1,250	1,000
	Scottish School of Forestry	1,080	-
	RHASS Heritage & Culture	1,000	-
	Lantra awards	560	458
	National Pony Society	500	-
	RHASS Presidential Initiative	-	10,000
	Clydesdale Horse Society	-	6,002
	Golden Shears Trophy	-	4,348
	International Federation of Agricultural Journalists	-	4,000
	RASC Next Generation	-	2,717
	Scotland's Finest Woodlands	-	2,500
	Rural Youth Project Innovation	-	2,000
	Scottish Ploughing Championships	-	1,500
	Scottish Shearing Circuit Committee	-	1,040
	Graham Babes - European Championship support	-	1,000
	RHET Lothian event	-	933
	Others - Miscellaneous	2,276	700
		263,399	328,117
	Expenditure on certificates and medals for long service, skills and academic achievement was as follows:		
		2020	2019
		£	£
	Long service certificates and ploughing medals	4,322	9,635
	Other medals	1,087	1,984
		5,409	11,619
	Total Grants Paid	268,808	339,736

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 2019	2,758,418	16,905,616	3,702,503	6,223,816	470,998	1,234,847	614,003	93,584	41,651	32,045,436
Additions	-	171,537	1,869,894	-	1,518	2,810	61,224	41,725	-	2,148,708
Transfers	-	5,460,259	(5,460,259)	-	-	-	-	-	-	-
As at 30 November 2020	2,758,418	22,537,412	112,138	6,223,816	472,516	1,237,657	675,227	135,309	41,651	34,194,144
Depreciation										
As at 1 December 2019	-	4,447,577	-	2,650,629	374,992	894,553	508,725	73,055	32,650	8,982,181
Charge for year	-	737,091	-	139,221	20,996	177,362	68,789	11,133	4,500	1,159,092
As at 30 November 2020	-	5,184,668	-	2,789,850	395,988	1,071,915	577,514	84,188	37,150	10,141,273
Net Book Value										
As at 30 November 2020	2,758,418	17,352,744	112,138	3,433,966	76,528	165,742	97,713	51,121	4,501	24,052,871
As at 30 November 2019	2,758,418	12,458,039	3,702,503	3,573,187	96,006	340,294	105,278	20,529	9,001	23,063,255
Charity Fixed Assets										
Cost										
As at 30 November 2019	2,758,418	16,905,616	3,702,503	6,223,816	470,998	1,201,847	517,726	93,584	22,500	31,897,008
Additions	-	171,537	1,869,894	-	1,518	2,810	61,224	41,725	-	2,148,708
Transfers	-	5,460,259	(5,460,259)	-	-	-	-	-	-	-
As at 30 November 2020	2,758,418	22,537,412	112,138	6,223,816	472,516	1,204,657	578,950	135,309	22,500	34,045,716
Depreciation										
As at 30 November 2019	-	4,447,577	-	2,650,629	374,992	862,741	430,085	73,055	13,500	8,852,579
Charge for year	-	737,091	-	139,221	20,996	176,766	55,371	11,133	4,500	1,145,078
As at 30 November 2020	-	5,184,668	-	2,789,850	395,988	1,039,507	485,456	84,188	18,000	9,997,657
Net Book Value										
As at 30 November 2018	2,758,418	17,352,744	112,138	3,433,966	76,528	165,150	93,494	51,121	4,500	24,048,059
As at 30 November 2017	2,758,418	12,458,039	3,702,503	3,573,187	96,006	339,106	87,641	20,529	9,000	23,044,429
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 interrupted by the pandemic. We intend to conclude this valuation when restrictions permit.										
Depreciation is split out by activity on notes 7, 9, 10, 11 and 12.										

20	Group Fixed Assets - Investment Properties	2020 £	2020 £	2019 £	2019 £
		Group	Charity	Group	Charity
	Cost				
	As at 30 November 2019	4,100,000	4,100,000	3,900,000	3,900,000
	Revaluation	-	-	200,000	200,000
	As at 30 November 2020	4,100,000	4,100,000	4,100,000	4,100,000

Investment property was valued at £4,100,000 as at 30 November 2020 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	2020 £	2020 £	2019 £	2019 £
		Group	Charity	Group	Charity
	Listed investments	645	-	276,077	-
	Listed investments held for Special Funds	100,359	100,359	117,771	117,771
	Investment in subsidiaries	-	100	-	100
	Other investments	214,312	214,312	214,312	214,312
		315,316	314,771	608,160	332,183

Following the outbreak of the COVID-19 virus the listed investments above have been sold, the details of the sale are noted below.

Listed investments

Listed investments are held solely by the Royal Highland Development Trust a subsidiary of Royal Highland and Agricultural Society of Scotland. Investments are included at fair value, their market value, and are held primarily to provide an investment return for the Trust.

Holdings in common investment funds, unit trusts, open-ended investment companies and investments with collective investments in transferable securities schemes were valued by the Trust's investment manager as detailed below. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). Gains or losses on sale of investments are accounted for in the Statement of Financial Activities.

	2020 £	2019 £
Investments		
Market value at 1 December	271,402	229,056
Additions at cost	-	99,815
Disposals at current value	(271,292)	(71,097)
Unrealised gains/(losses) on investments	-	13,628
Market value at 30 November excluding portfolio cash	110	271,402
Portfolio cash held pending reinvestment	535	4,675
Market value at 30 November including portfolio cash	645	276,077

Market Value at 30 November

	2020	2019
Equities	110	236,924
Securities	-	34,478
Market value at 30 November excluding portfolio cash	110	271,402
Portfolio cash held pending reinvestment	535	4,675
Market value at 30 November including portfolio cash	645	276,077

The portfolio of listed investments was sold on 17 March 2020, the sale proceeds amounted to a total sum of £208,327.

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 2020 £	Market Value 2019 £
<i>Special Funds:</i>				
AJ Lilburn Forestry Trophy Fund				
<i>M&G Charifund Income Units</i>	87	500	1,161	1,384
Consolidated Prize Fund				
<i>M&G Charifund Income Units</i>	1,244	8,032	16,596	19,795
<i>2.5% Treasury Stock 2024</i>	1,500	5,047	5,379	5,446
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	55,844	66,609
Trophy Maintenance Fund				
<i>M&G Charifund Income Units</i>	1,228	10,240	16,379	19,537
Royal Highland Society Development Trust				
		74,819	100,359	117,771

Other investments

The Society holds 3/7ths of the issued share capital of Scottish Agricultural & Rural Development Centre Ltd (SARDC). This investment is carried at a cost of £214,286. The value of the investment is considered to be at least equivalent to cost. The net assets of SARDC at 28 February 2020 were £1,406,839 (2019: £1,396,464) and the profit for the year was £40,375 (2019: Profit of £70,379). Management has considered the valuation of the investment at balance sheet date and considers it to be at least equivalent to the cost at which it is held by RHASS. Therefore there is no requirement for an impairment at the date of approval of these financial statements.

A dividend of £nil was received from SARDC during the year. (2019: £12,587)

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 2020 its total assets were £555,871 (2019: £616,947), total liabilities £643,347 (2019: £570,114) and net liabilities £87,476 (2019: net assets £46,833). For the year to 30 November 2020 its turnover was £521,502 (2019: £2,149,397), total expenditure £655,815 (2019: £2,164,950) and loss for the year £(134,313) (2019: £(14,014)).

Royal Highland Society Development Trust

As at 30 November 2020 the trust had total assets of £14,593 (2019: £347,238), liabilities of £nil (2019: £nil) and net assets of £14,593 (2019: £347,238). For the year to 30 November 2020 the trust had total income of £ 3,418 (2019: £7,120), total expenditure of £273,098 (2019: £1,600) and deficit for the year of £(332,645), (2019: surplus £21,424).

Edinburgh Arena Limited (SC337796)

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

22 Debtors and prepayments	2020 £ Group	2020 £ Charity	2019 £ Group	2019 £ Charity
Trade debtors	244,373	247,268	480,960	152,267
Amount due from subsidiary undertaking	-	-	-	59,660
Taxes receivable from HMRC	-	-	174,164	216,004
Amount due from insurance claim (see note 5)	1,800,000	1,800,000	-	-
Prepayments	337,203	332,470	307,901	303,168
Accrued income and other debtors	7,376	7,376	140,820	140,820
	2,388,952	2,387,114	1,103,845	871,919

23 Creditors and accrued charges	2020 £ Group	2020 £ Charity	2019 £ Group	2019 £ Charity
Trade creditors	376,889	353,921	1,512,717	1,236,480
Accruals	191,332	158,736	255,541	213,067
Deposits	223,698	39,300	289,162	139,262
Social Security and other taxes	27,574	27,574	40,697	40,697
Taxes payable to HMRC	172,325	66,558	-	-
Bank loan repayments	166,893	166,893	243,188	243,188
Deferred income	1,933,932	1,636,312	673,369	673,369
Other creditors	34	34	20,087	20,087
	3,092,677	2,449,328	3,034,761	2,566,150

Deferred income and accrued charges includes £171,721 in relation to member subscriptions (2019: £164,647) and £1,082,314 in relation to advance payments related to the lease of land (2019: £508,722). The member subscriptions movements relate to new memberships offset by the release of existing memberships in line with the accounting policy outlined in note 1. Deferred income in relation to land consisted of up-front lease payments which are to be released over the course of the lease.

Deferred income	Advance lease receipts £	Other income in advance	Member subscriptions £	Total £
At 1 December 2019	508,722	-	164,617	673,339
Released in year	(26,408)	(99,207)	(76,896)	(202,511)
Deferred in year	600,000	779,104	84,000	1,463,104
At 30 November 2020	1,082,314	679,897	171,721	1,933,932

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 £7,569,483 remains outstanding, repayable over 10 years at fixed and variable rates. The loans are secured over certain of the Society's assets. The loan agreements contain covenants relating to debt service ratio and loan to value ratio, the first of which was waived at the balance sheet date and the second of which was not required to be reviewed at the balance sheet date. A capital moratorium on loan repayments until July 2021 was agreed with RBS.

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 meets the interest costs on the CBIL loan and loan repayments are not due to commence until July 2021. The Society has a long-term repayment strategy in place.

	2020 £ Group	2020 £ Charity	2019 £ Group	2019 £ Charity
Due within one year	166,893	166,893	243,188	243,188
Due between one and two years	379,805	379,805	287,665	287,665
Due between two and five years	1,155,966	1,155,966	1,254,215	1,254,215
Due in more than five years	8,366,819	8,366,819	3,901,713	3,901,713
Total secured loans	10,069,483	10,069,483	5,686,781	5,686,781
Less due within one year (see note 22)	166,893	166,893	243,188	243,188
Total loans due in more than one year	9,902,590	9,902,590	5,443,593	5,443,593

The Society also has an overdraft facility of £500,000 expiring in August 2021. The interest rate is based on base rate and as at 30 November 2020 the amount drawn down was nil (2019: £15,000).

25 Unrestricted funds

General funds are 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	20,294,108	20,367,091
Designated funds	5,125	5,125
	20,299,233	20,372,216

General funds

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

	2020 £ Group	2020 £ Charity	2019 £ Group	2019 £ Charity
As at 1 December 2019	20,082,461	19,778,487	20,632,650	20,334,549
(Deficit)/surplus for year	(308,058)	158,899	(526,189)	(532,062)
Transfer from designated funds	543,705	453,705	-	-
Actuarial losses	(24,000)	(24,000)	(24,000)	(24,000)
	211,647	588,604	(550,189)	(556,062)
As at 30 November 2020	20,294,108	20,367,091	20,082,461	19,778,487

Designated Funds

	2020 £ Group	2020 £ Charity	2019 £ Group	2019 £ Charity
Paintings Restoration Fund	5,125	5,125	5,125	5,125
JL Romanes Fund	-	-	425,000	425,000
Members' Facility Fund	-	-	28,705	28,705
Stockmen's Facilities	-	-	90,000	-
	5,125	5,125	548,830	458,830

The JL Romanes Fund and the Members' Facility Fund were designated to be used towards the funding of the new members' pavilion at Ingliston. Construction of this building was completed in March 2020 and therefore the balance of these funds was transferred to unrestricted reserves. The painting restoration fund has been designated for the maintenance and restoration of paintings and other ephemera owned by the Society. The funds set aside for stockmen's facilities had been designated to provide for future capital expenditure on stockmen's accommodation or facilities. In April 2020 it was agreed that this designation be removed on the basis the work had been completed, and the funds transferred to unrestricted reserves.

26 Special restricted funds	Balance	Incoming resources	Resources expended	Gains/ (losses)	Balance
	2019				2020
AJ Lilburn Forestry Trophy Fund	1,456	70	-	(223)	1,303
Sir William Young Memorial Fund	5,970	58	-	-	6,028
Consolidated Prize Fund	27,611	1,113	-	(3,266)	25,458
Trophy Maintenance Fund	20,428	880	-	(3,158)	18,150
Council of Awards for Royal Agricultural Societies	78,755	3,386	(5,000)	(10,765)	66,376
	134,220	5,507	(5,000)	(17,412)	117,315
	Balance	Incoming resources	Resources expended	Gains/ (losses)	Balance
	2018				2019
AJ Lilburn Forestry Trophy Fund	1,294	71	-	91	1,456
Sir William Young Memorial Fund	5,912	58	-	-	5,970
Consolidated Prize Fund	25,211	1,127	-	1,273	27,611
Trophy Maintenance Fund	18,251	891	-	1,286	20,428
Council of Awards for Royal Agricultural Societies	74,756	3,434	(3,820)	4,385	78,755
	125,424	5,581	(3,820)	7,035	134,220
<i>AJ Lilburn Forestry Trophy Fund</i>					
The AJ Lilburn Forestry Trophy Fund is a restricted fund for the maintenance of the Alistair J Lilburn of Coull Trophy.					
<i>Sir William Young Memorial Fund</i>					
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.					
<i>Consolidated Prize Fund</i>					
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 2019 to 30 June 2020. Receipts from 1 July 2020 to 30 November 2020 are carried forward for distribution the following year.					
<i>Trophy maintenance fund</i>					
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.					
<i>Council for Awards of Royal Agricultural Societies (CARAS)</i>					
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.					

27	Reconciliation of surplus for year to net cash inflow from operating activities		2020 £	2019 £		
	Net income/(expenditure)		(246,253)	(712,627)		
	Pension fund charge less contributions made		(24,000)	(24,000)		
	Depreciation		1,159,092	1,044,824		
	(Gain)/loss on sales and disposals of fixed assets		-	(1,000)		
	Interest and dividend receivable		(9,253)	(36,415)		
	Loan interest paid		153,295	133,497		
	Decrease/(increase) in stock		3,000	(3,000)		
	Decrease/(increase) in debtors and prepayments		(1,285,107)	(345,946)		
	Increase/(decrease) in creditors and accrued charges		57,916	1,049,579		
	Increase/(decrease) in allocation of bank loans to amounts due in more than 12 months		76,295	(143,188)		
	Rent received from investment properties		(160,408)	(139,079)		
			(275,423)	822,645		
28	Analysis of cash and cash equivalents		2019	Cash Flow	2020	
	Bank	343,494		2,187,990	2,531,484	
	Fund bank accounts	16,131		(10)	16,121	
	Cash	880		1,092	1,972	
	Total cash and cash equivalents	360,505		2,189,072	2,549,577	
	Bank loans due in less than 1 year	243,188		(76,295)	166,893	
	Bank loans due in more than 1 year	5,443,593		4,458,997	9,902,590	
	Net debt	5,326,276		2,193,630	7,519,906	
29	Analysis of net assets between funds					
	Group	Tangible Fixed Assets	Investments	Net Current Assets	Long Term Liabilities	Total
	Unrestricted funds	28,152,871	214,957	1,834,831	(9,902,591)	20,300,068
	Restricted funds	-	100,359	16,121	-	116,480
	Total as at 30 November 2020	28,152,871	315,316	1,850,952	(9,902,591)	20,416,548
	Unrestricted funds	27,163,255	490,389	(1,578,442)	(5,443,593)	20,631,609
	Restricted funds	-	117,771	16,131	-	133,902
	Total as at 30 November 2019	27,163,255	608,160	(1,562,311)	(5,443,593)	20,765,511
	Charity	Tangible Fixed Assets	Investments	Net Current Assets	Long Term Liabilities	Total
	Unrestricted funds	28,148,059	214,412	1,913,171	(9,902,591)	20,373,051
	Restricted funds	-	100,359	16,121	-	116,480
	Total as at 30 November 2020	28,148,059	314,771	1,929,292	(9,902,591)	20,489,531
	Unrestricted funds	27,144,429	214,412	(1,677,613)	(5,443,593)	20,237,635
	Restricted funds	-	117,771	16,131	-	133,902
	Total as at 30 November 2019	27,144,429	332,183	(1,661,482)	(5,443,593)	20,371,537

30	Financial Commitments	2020 £	2019 £	
The annual commitment under non-cancellable operating leases was as follows:				
Operating leases for plant & machinery expiring:				
Within one year		37,894	40,954	
Within two to five years		63,771	101,634	
Total commitment for the life of all leases		101,665	142,588	
31	Capital Commitments	2020 £	2019 £	
As at the 30 November 2020, the group and charity had capital commitments as follows:				
Contracted for but not provided in the financial statements		nil	1,670,487	
The prior year figure represents the balance of construction costs due as at 30 November 2019 under the contract for the new members’ facility and events space, which was completed in March 2020.				
32	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 2020 (2019: 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		2020 A Laidlaw, JG Sinclair	£6,250	nil
		2019 A Laidlaw, JG Sinclair	£18,450	£12,857
The Charity has a 43% interest in SARDC Ltd. RHASS provided security services for SARDC until 31 March 2020. Included within sales to SARDC are fees of £3,000 (2019: £3,000) in respect of provision of Directors for the company, which are paid directly to the Charity.				
In year, RHASS received gift in kind of weed control services and chemicals to the value of £2,215. £1,215 of this was gifted from the firm of JDW Agri Ltd, of which RHASS trustee, Jim C Warnock, is a director.				
There were no other related party transactions in 2020.				
The Charity has taken advantage of the exemption in FRS102 not to disclose transactions with wholly owned subsidiaries.				
33	Connected Bodies			
The Royal Highland Education Trust (Scottish Charity Number SC007492) is administered by the Society. No fee is charged for this service				
The Roy Watherston Memorial Trust (Scottish Charity Number SC007609) 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 SC024206) 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				

34 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 2020 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 showed a surplus of £695,000. 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 will reimburse the scheme for all Pension Protection Fund levies.

Present value of defined benefit obligation, fair value of assets and defined benefit asset (Liability)	%	2020 £	%	2019 £	%	2018 £
Fair value of plan assets		5,880,000		5,594,000		5,343,000
Present value of defined benefit obligation		4,687,000		4,228,000		4,132,000
Surplus in plan		1,193,000		1,366,000		1,211,000
Unrecognised Surplus		1,193,000		1,366,000		1,211,000
Assets						
Overseas equities						
Corporate bonds	70%	4,098,000	69%	3,841,000	23%	1,223,000
Government bonds	15%	871,000	15%	862,000	61%	3,265,000
Cash	1%	55,000	1%	51,000	1%	46,000
Absolute return bond fund	15%	856,000	15%	840,000	15%	809,000
		5,880,000		5,594,000		5,343,000

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	2020 £	2019 £	2018 £
Defined benefit obligation at start of period	4,228,000	4,132,000	4,340,000
Expenses	76,000	78,000	83,000
Interest expense	79,000	114,000	106,000
Actuarial losses/(gains)	515,000	414,000	(146,000)
Benefits paid and expenses	(211,000)	(510,000)	(251,000)
Scheme liabilities at end of period	4,687,000	4,228,000	4,132,000

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets	2020 £	2019 £
Fair value of plan assets at start of period	5,594,000	5,343,000
Interest Income	105,000	149,000
Actuarial gains /(losses)	292,000	510,000
Contributions by the Society	100,000	102,000
Benefits paid and expenses	(211,000)	(510,000)
Fair value of plan assets at end of year	5,880,000	5,594,000

The actual return on the plan assets over the period ending 30 November 2020 was £397,000 (2019: £659,000).

Defined Benefit Costs Recognised in Profit or Loss	2020 £	2019 £
Expenses	76,000	78,000
Total expense recognised in profit and loss	76,000	78,000

34 Pension scheme (continued)	2020 £	2019 £
Defined benefit costs recognised in other comprehensive income		
Return on plan assets (excluding amounts included in net interest cost)		
Gain/(loss)	292,000	510,000
Experience gains and losses arising on the scheme liabilities		
Gain/(loss)	56,000	(78,000)
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities:		
Gain/(loss)	(571,000)	(336,000)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)		
Gain/(loss)	199,000	(120,000)
Total amount recognised in statement of total recognised gains and losses		
Amount: Gain/(loss)	(24,000)	(24,000)

Assumptions	2020 % per annum	2019 % per annum	2018 % per annum
Discount rate	1.50	1.90	2.90
Inflation (CPI)	2.80	2.20	2.60
Allowance for revaluation of deferred pensions of CPI or 5%pa, if less	2.80	2.20	2.60
Allowance for pension in payment increases of CPI or 5%pa, if less	2.70	2.10	2.50
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 2020 imply the following life expectancies:

Male retiring at age 60 in 2020	25.10	25.10	25.30
Female retiring at age 60 in 2020	27.20	27.20	27.40
Male retiring at age 60 in 2040	27.00	27.00	27.20
Female retiring at age 60 in 2040	29.20	29.10	29.30

The best estimate of contributions to be paid by the Society to the scheme for the period commencing 1 December 2020 is £50,000. This is in respect of management and administration expenses.

35 Financial assets and liabilities held at fair value through profit and loss	2020 £ Group	2020 £ Charity	2019 £ Group	2019 £ Charity
Listed investments held at fair value	101,004	100,359	393,848	117,771
As at 30 November	101,004	100,359	393,848	117,771

36 Post Balance Sheet Events

In early 2020 the existence of a new coronavirus (COVID-19) was confirmed which was subsequently designated a global pandemic, leading to massive disruption to society, businesses and economic activity. As is clear within this report, the pandemic and consequent restrictions have had a significant impact on RHASS's operations and income and RHASS group has taken substantial mitigating actions. There are a number of positive movements on income which have occurred post-balance sheet which are reported here to give a more complete understanding of the position as at the date of signing:

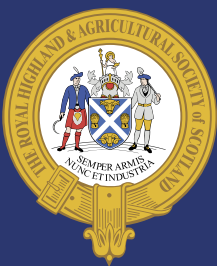
- Royal Mail took occupation of the Highland Hall to accommodate a regional hub for the Christmas peak. Income in the year to 30 November 2020 is reflected in these accounts and a further three months' rental will be received from this source in the next financial year.
- Following detailed negotiations, RHASS opened its doors on 8 February to the NHS as a major regional vaccination centre and we are delighted to be playing our part in the route out of pandemic restrictions, while assisting Society income with the only available use and substantial income stream while the centre is closed due to restrictions.
- In early March, we received £150,000 from the Scottish Government's Pivotal Event Fund.
- Following the FCA's test case to the Supreme Court regarding business interruption insurance, RHASS is pursuing a significant claim with its insurers. In March 2021 we received an interim payment of £1.8 million against a total claim for the year of £2.2 million (with a claim limit of £2.5m in total over two years). The £1.8m is included accrued as income in these financial statements and the balance is not yet recognised as not certain.
- Also in March 2021, we received £750k funding from the Scottish Government to enable the Society to put on a live Showcase to bridge the gap between a no Show year in 2020 and the 180th bicentennial Show in 2022.

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

	Unrestricted Funds £	Restricted Funds £	2019 Total £
Income From:			
Donations and Legacies	28,705	-	28,705
Charitable Activities			
Show related activities	4,822,656	-	4,822,656
Memberships	636,003	-	636,003
Other Activities	1,364,445	-	1,364,445
Trading Activities	2,149,398	-	2,149,398
Investment Income	30,834	5,581	36,415
Total Income	9,032,041	5,581	9,037,622
Expenditure on:			
Cost of raising Funds	105,801	-	105,801
Charitable Activities			
-Show related Activities	4,961,915	-	4,961,915
-Memberships	1,183,475	-	1,183,475
-Other Activities	1,147,804	3,820	1,151,624
Trading Activities	2,347,434	-	2,347,434
Total Expenditure	9,746,429	3,820	9,750,249
Net (Expenditure)/Income on Operating Activities	(714,388)	1,761	(712,627)
Gains/Losses on investment			
Realised gains on sales of fixed assets	1,000	-	1,000
Realised gains/(losses) on investments	2,276	-	2,276
Unrealised gains/(losses) on investments	13,628	7,035	20,663
Unrealised gains on investment properties	200,000	-	200,000
Net (Expenditure)/Income	(497,484)	8,796	(488,688)
Corporation Tax	-		
Net (Expenditure)/Income after tax	(497,484)	8,796	(488,688)
Actuarial losses on Defined Benefit pension Scheme	(24,000)	-	(24,000)
Net movement in funds	(521,484)	8,796	(512,688)

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

	Unrestricted Funds £	Restricted Funds £	2019 Total £
Income From:			
Donations and Legacies	28,705	-	28,705
Charitable Activities			
-Show related Activities	4,822,656	-	4,822,656
-Memberships	636,003	-	636,003
-Other Activities	2,164,445	-	2,164,445
Investment Income	23,714	5,581	29,295
Total Income	7,675,523	5,581	7,681,104
Expenditure on:			
Cost of raising Funds	105,801	-	105,801
Charitable Activities			
-Show related Activities	5,058,602	-	5,058,602
-Memberships	967,475	-	967,475
-Other Activities	2,248,002	3,820	2,251,822
Total Expenditure	8,379,880	3,820	8,383,700
Net (Expenditure)/Income on Operating Activities	(704,357)	1,761	(702,596)
Gains/Losses on investment			
Realised gains on sale of fixed assets	1,000	-	1,000
Unrealised (losses)/gains on investments	-	7,035	7,035
Unrealised gains on investment properties	200,000	-	200,000
Net (Expenditure)/Income	(503,357)	8,796	(494,561)
Actuarial losses on Defined Benefit pension Scheme	(24,000)	-	(24,000)
Net movement in funds	(527,357)	8,796	(518,561)



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