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## FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

### ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:	NFU Scotland
Year ended:	31 October 2014
List No:	5036E
Head or Main Office:	Rural Centre West Mains Ingliston EH28 8LT
Website address (if available)	www.nfus.org.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Tick as appropriate)
Chief Executive:	Scott Walker
Contact name for queries regarding the completion of this return:	Colin Gordon
Telephone Number:	0131 472 4011
e-mail:	c.gordon@nfus.org.uk

**PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.**  
Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Employers' Associations based in England and Wales:  
Certification Office for Trade Unions and Employers' Associations  
22<sup>nd</sup> Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Employers' Associations based in Scotland:  
Certification Office for Trade Unions and Employers' Associations  
Melrose House, 69a George Street, Edinburgh EH2 2JG

# RETURN OF MEMBERS

(see note 9)

NUMBER OF MEMBERS AT THE END OF THE YEAR				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
8345				8345

## OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

## CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
Director	John Robert Walker Orr	Stuart Wilson McNicol	11 February 2014
Director	Hugh Maclean Fraser	James John Whiteford	11 February 2014
Director	Alastair Campbell Martin	Kevin John Gilbert	11 February 2014
Director	Philip John Manson Sleigh	Roderick Catto	11 February 2014

# REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	<b>INCOME</b>			
2,043,257	From Members	Subscriptions, levies, etc	2,041,644	
61,201	Investment income	Interest and dividends (gross)	55,141	
6,396		Bank interest (gross)	5,912	
90,869		Other	164,971	
16,354	Other income	Rents received	16,958	
526,000		Miscellaneous receipts (Donation)	537,000	
-		Unrealised surplus on property revaluation	141,253	
(2711)		Gain/(Loss) on sale of assets and investments	9,407	
2,741,366				2,972,286
	<b>EXPENDITURE</b>			
	<b>Administrative expenses</b>			
1,412,952	Remuneration and expenses of staff		1,503,588	
116,648	Commission		143,039	
313,568	Expenses and representation		378,329	
214,142	Regional Costs		207,709	
181,639	Promotional Costs		254,338	
339,537	Other administration and Property expenses		314,193	
2,578,486				2,801,196
7,724	Bank Charges		8,281	
56,087	Depreciation		64,468	
-	Prior year adjustment, year end debtor recalculation		121,524	
9,900	Audit Fees		10,080	
6,201	Taxation		7,527	
2,658,398	<b>TOTAL EXPENDITURE</b>			3,013,076
82,968	Surplus/Deficit for year			(40,790)
1,888,546	Amount of fund at start of year			1,971,514
1,971,514	Amount of fund at end of year			1,930,724

# ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name of account:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
		<b>Total Expenditure</b>	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 3		Fund Account	
Name of account:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
		<b>Total Expenditure</b>	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

# ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 4		Fund Account	
Name of account:		£	£
<b>Income</b>			
	From members		
	Investment income		
	Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>			
	Administrative expenses		
	Other expenditure (specify)		
	<b>Total Expenditure</b>		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 5		Fund Account	
Name of account:		£	£
<b>Income</b>			
	From members		
	Investment income		
	Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>			
	Administrative expenses		
	Other expenditure (specify)		
	<b>Total Expenditure</b>		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

# ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 6		Fund Account	
Name of account:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
	<b>Total Expenditure</b>		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 7		Fund Account	
Name of account:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
	<b>Total Expenditure</b>		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

# BALANCE SHEET AS AT [ 31 October 2014

]

(see notes 19 and 20)

Previous Year		£	£
445,456	<b>Fixed Assets</b> (as at page 9)	550,916	
	<b>Investments</b> (as per analysis on page 13)		
891,202	Quoted (Market value £1,407,969 )	913,024	
450,390	Unquoted	450,390	
	<b>Total Investments</b>		1,914,330
	<b>Other Assets</b>		
208,692	Sundry debtors	96,128	
574,810	Cash at bank and in hand	549,161	
	<b>Total of other assets</b>		645,289
2,570,550	<b>TOTAL ASSETS</b>		2,559,619
	<b>Revaluation Reserve</b>		
	<b>Liabilities</b>		
	Loans		
	Bank overdraft		
	Tax payable		
599,036	Sundry creditors	628,895	
	Accrued expenses		
	Provisions		
	Other liabilities		
599,036	<b>TOTAL LIABILITIES</b>		628,895
1,971,514	<b>TOTAL ASSETS</b>		1,930,724

# FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
<b>COST OR VALUATION</b>				
At start of period	277,422	4,284	163,750	445,456
Additions during period			28,075	28,075
Revaluation	141,253			141,253
Less: Disposals during period				
Less: DEPRECIATION:		(1,702)	(62,166)	(63,868)
Total to end of period	141,253	(1,702)	(34,091)	105,460
<b>BOOK AMOUNT at end of period</b>	418,675	2,582	129,659	550,916
Freehold	418,675			
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET	418,675	2,582	129,659	550,916



# ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
QUOTED	British Government & British Government Guaranteed Securities	45,645
	British Municipal and County Securities	
	Other quoted securities (to be specified)	867,379
	TOTAL QUOTED (as Balance Sheet)	913,024
	*Market Value of Quoted Investments	1,407,969
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	TOTAL UNQUOTED (as Balance Sheet)	450,390
	*Market Value of Unquoted Investments	n/a

\* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

<b>Does the association, or any constituent part of the association, have a controlling interest in any limited company?</b>		YES	NO
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
<b>INCORPORATED EMPLOYERS' ASSOCIATIONS</b>			
<b>Are the shares which are controlled by the association registered in the association's name</b>		YES	NO
If NO, please state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
<b>UNINCORPORATED EMPLOYERS ASSOCIATIONS</b>			
<b>Are the shares which are controlled by the association registered in the names of the association's trustees?</b>		YES	NO
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

# SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	2,041,644		2,041,644
From Investments	55,141		55,141
Other Income (including increases by revaluation of assets)	875,501		875,501
<b>Total Income</b>	2,972,286		2,972,286
<b>EXPENDITURE</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	3,013,076		3,013,076
<b>Funds at beginning of year</b> (including reserves)	1,971,514		1,971,514
<b>Funds at end of year</b> (including reserves)	1,930,724		1,930,724
<b>ASSETS</b>			
Fixed Assets			550,916
Investment Assets			1,363,414
Other Assets			645,289
<b>Total Assets</b>			2,559,619
<b>LIABILITIES</b>			
<b>Total Liabilities</b>			628,895
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			1,930,724

# NOTES TO THE ACCOUNTS

(see note 36)

All notes to the accounts must be entered on or attached to this part of the return.

Please see attached

# ACCOUNTING POLICIES

(see notes 37 and 38)

## SIGNATURES TO THE ANNUAL RETURN


(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Finance Director's  
Signature: 

Name: Colin Gordon

Date: 15 October 2015

Chief Executive's  
Signature:   
(or other official whose position should be stated)

Name: Scott Walker

Date: 20 OCTOBER 2015

## CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	<input checked="" type="radio"/> YES	<input type="radio"/> NO
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	<input checked="" type="radio"/> YES	<input type="radio"/> NO
HAS THE RETURN BEEN SIGNED? (see Note 38)	<input checked="" type="radio"/> YES	<input type="radio"/> NO
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	<input checked="" type="radio"/> YES	<input type="radio"/> NO
IS A RULE BOOK ENCLOSED? (see Note 40)	<input type="radio"/> YES	<input checked="" type="radio"/> NO
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	<input checked="" type="radio"/> YES	<input type="radio"/> NO

# AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?  
(See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

☒ YES ☐ NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
  - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
  - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 43)

☒ YES ☐ NO

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
  - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in note 43)

☒ YES ☐ NO

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.  
(See note 45)

## AUDITOR'S REPORT (continued)

Please see attached

Signature(s) of auditor or auditors:

Johnston Carmichael LLP

Name(s):

JOHNSTON CARMICHAEL LLP

Profession(s) or Calling(s):

CA

Address(es):

7-11 MELVILLE ST  
EDINBURGH  
EH3 7PE

Date:

15 OCTOBER 2015

Contact name and telephone number:

SCOTT HOLMES  
0131 220 2203

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

NFU SCOTLAND

# 2014

FINANCIAL REPORT

Fighting for the future of Scottish farming

  
NFUScotland



# Directors' Report and Financial Statements for the year ended 31 October 2014

The directors present their report and financial statements for the year ended 31 October 2014.

## Principal activities

The principal activity of the company continued to be that of a member body for farmers and other related rural businesses in Scotland.

## Members

Each member is liable to contribute an amount (not exceeding £1) to the assets of the company in the event of it being wound up.

## Directors

The following directors have held office since 1 November 2013:

George Templeton Lawrie	
Nigel Alexander Miller	
John Millar Smith	
Cecil Robert Hugh Eunson	
Gerald Peter Banks	
Scott Alexander Walker	
Charles Robert Adam	
John Henry Wildman	
Walter Allan Bowie	
John Robert Walker Orr	(Resigned 11 February 2014)
Hugh Maclean Fraser	(Resigned 11 February 2014)
Russell Brown	
Andrew McCornick	
James Rae Adam	
Gary Leslie Dixon Mitchell	
Alastair Campbell Martin	(Resigned 11 February 2014)
Andrew Moir	
Robert Neil Livesey	
Lachlan Alexander MacLean	
John Semple	
Philip John Manson Sleigh	(Resigned 11 February 2014)
Thomas Aitken French	
Kevin John Gilbert	(Appointed 11 February 2014)
Roderick Catto	(Appointed 11 February 2014)
Stuart Wilson McNicol	(Appointed 11 February 2014)
James Johnston Whiteford	(Appointed 11 February 2014)

## Auditors

Johnston Carmichael LLP were appointed as auditors to the company in accordance with section 485 of the Companies Act 2006.

## Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

**Scott Alexander Walker**

Director

2 December 2014

# Independent Auditors' Report to the Members of NFU Scotland

We have audited the financial statements of NFU Scotland for the year ended 31 October 2014 set out on pages 3 to 7. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.

David Holmes (Senior Statutory Auditor)  
for and on behalf of Johnston Carmichael LLP  
2 December 2014

Chartered Accountants  
Statutory Auditor

7-11 Melville Street  
Edinburgh  
EH3 7PE

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2014

	Notes	2014 £	2013 £
Turnover		2,743,615	2,660,126
Administrative expenses		(2,874,618)	(2,654,908)
Other operating income		16,958	16,354
<b>Operating (loss)/profit</b>	<b>2</b>	<b>(114,045)</b>	<b>21,572</b>
Investment income	3	55,141	61,201
Other interest receivable and similar income	3	5,912	6,396
<b>(Loss)/Profit on ordinary activities before taxation</b>		<b>(52,992)</b>	<b>89,169</b>
Tax on (loss)/profit on ordinary activities	4	(7,527)	(6,201)
<b>(Loss)/Profit for the year</b>	<b>11</b>	<b>(60,519)</b>	<b>82,968</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 OCTOBER 2014

	Notes	2014 £	2013 £
(Loss)/profit for the financial year		(60,519)	82,968
Unrealised surplus on revaluation of properties	6	141,253	-
<b>Total recognised gains and losses relating to the year</b>		<b>80,734</b>	<b>82,968</b>
Prior year adjustment	1.9	(121,524)	-
<b>Total gains and losses recognised since last financial statements</b>		<b>(40,790)</b>	<b>82,968</b>

## BALANCE SHEET AS AT 31 OCTOBER 2014

	Notes	2014 £	2014 £	2013 as restated £	2013 as restated £
<b>Fixed assets</b>					
Tangible assets	5&6		550,916		445,456
Investments	7		1,363,414		1,341,592
			<u>1,914,330</u>		<u>1,787,048</u>
<b>Current assets</b>					
Debtors	8	96,128		87,168	
Cash at bank and in hand		549,161		574,810	
		<u>645,289</u>		<u>661,978</u>	
<b>Creditors: amounts falling due within one year</b>	9	(628,895)		(599,036)	
<b>Net current assets</b>			<u>16,394</u>		<u>62,942</u>
<b>Total assets less current liabilities</b>			<u>1,930,724</u>		<u>1,849,990</u>
<b>Capital and reserves</b>					
Revaluation reserve	11		369,356		228,103
Profit and loss account	11		1,561,368		1,621,887
<b>Members' funds</b>	12		<u>1,930,724</u>		<u>1,849,990</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

Approved by the Board and authorised for issue on 2 December 2014.

George Templeton Lawrie  
Director

Scott Alexander Walker  
Director

Company Registration No. SC214564

# Notes to the Financial Statements for the year ended 31 October 2014

## 1 Accounting policies

### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties and unlisted investments.

### 1.2 Turnover

Turnover comprises subscriptions received from members, donations received, and other sundry income.

Subscriptions received from members are recognised when received. Subscriptions relate to a calendar year, so at the financial year end, an adjustment to defer a portion of this income relating to November and December is made.

Donations and other sundry income is recognised when received.

### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties professionally valued by Chartered Surveyors on an existing use open market value basis. Other tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings freehold	Not depreciated
Computer equipment	33% Straight Line
Fixtures, fittings & equipment	20% Straight Line
Motor vehicles	33% Straight Line

Investment properties are included in the balance sheet at their open market value.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for Investment Properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

### 1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### 1.5 Investments

Listed investments are stated at cost less provision for permanent diminution in value. Unlisted investments are stated at directors' valuation.

### 1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

### 1.7 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

### 1.8 Legal status

NFU Scotland is a company limited by guarantee which has been granted exemption, under Section 60 of the Companies Act 2006, from including 'Limited' in its name. There is no share capital. The liability of each member of the company, in the event of winding up, is limited to £1.

### 1.9 Prior year adjustment

During the year the company changed its policy for the recognition of membership income. Previously a membership income debtor was recognised in respect of members who had not paid their membership fees as at the year-end date. In accordance with the accounting policy at note 1.2, no debtor is now recognised, reflecting the fact that members do not have a legal obligation to pay membership fees and therefore the company has no entitlement to membership income until it is received. Accordingly the company has reduced the value of other debtors as at 31 October 2013 by £121,524 from £167,954 to £46,430. Profit and loss reserves at 31 October 2013 have reduced by £121,524 from £1,743,411 to £1,621,887.

## 2 Operating (loss)/profit

	2014 £	2013 £
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	63,868	56,087
Operating lease rentals	62,152	62,154
Auditors' remuneration (including expenses and benefits in kind)	9,750	9,900
Directors' remuneration	242,359	231,837
and after crediting:		
Government grants	(98,440)	(19,010)
	<u>(98,440)</u>	<u>(19,010)</u>

## Notes to the Financial Statements for the year ended 31 October 2014 (continued)

<b>3</b>	<b>Investment income</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Income from fixed asset investments	55,141	61,201
	Bank interest	5,912	6,396
		<u>61,053</u>	<u>67,597</u>
<b>4</b>	<b>Taxation</b>		
	<b>Domestic current year tax</b>		
	U.K. corporation tax	6,340	6,201
	Adjustment for prior years	1,187	-
	<b>Total current tax</b>	<u>7,527</u>	<u>6,201</u>
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	(52,992)	89,169
	(Loss)/Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2013 - 20.00%)	<u>(10,598)</u>	<u>17,834</u>
	Effects of:		
	Adjustments to previous periods	1,187	-
	Chargeable disposals	1,684	-
	Exempt dividend income	(10,825)	-
	Income not taxable	(1,881)	-
	Non-assessable items	27,960	(11,633)
		<u>18,125</u>	<u>(11,633)</u>
	<b>Current tax charge for the year</b>	<u>7,527</u>	<u>6,201</u>

<b>5</b>	<b>Tangible fixed assets</b>	<b>Land &amp; buildings</b>	<b>Plant &amp; machinery etc</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	<b>Cost or valuation</b>			
	At 1 November 2013	277,422	276,551	553,973
	Additions	-	28,075	28,075
	Transfer to investment property	(277,422)	-	(277,422)
	At 31 October 2014	-	304,626	304,626
	<b>Depreciation</b>			
	At 1 November 2013	-	108,517	108,517
	Charge for the year	-	63,868	63,868
	At 31 October 2014	-	172,385	172,385
	<b>Net book value</b>			
	At 31 October 2014	-	132,241	132,241
	At 31 October 2013	277,422	168,034	445,456

<b>6</b>	<b>Tangible fixed assets</b>	<b>Investment properties</b>
		<b>£</b>
	<b>Cost or valuation</b>	
	At 1 November 2013	-
	Transfer from tangible fixed assets	277,422
	Revaluation	141,253
	At 31 October 2014	<u>418,675</u>
	<b>Net book value</b>	
	At 31 October 2014	<u>418,675</u>
	At 31 October 2013	-

Investment properties are included in the accounts at the directors estimate of their market value as at 31 October 2014.

The historic cost of assets included in investment properties is £277,422.

# Notes to the Financial Statements for the year ended 31 October 2014 (continued)

7	Fixed asset investments	Listed investments £	Unlisted investments £	Total £
	<b>Cost or valuation</b>			
	At 1 November 2013	891,202	450,390	1,341,592
	Additions	54,371	-	54,371
	Disposals	(32,549)	-	(32,549)
	At 31 October 2014	913,024	450,390	1,363,414
	<b>Net book value</b>			
	At 31 October 2014	913,024	450,390	1,363,414
	At 31 October 2013	891,202	450,390	1,341,592
		<b>Market value £</b>	<b>Directors' valuation £</b>	<b>Total £</b>
	At 31 October 2014	1,407,969	450,390	1,858,359
	At 31 October 2013	1,422,241	450,390	1,872,631

**Holdings of more than 20%** - The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	Shares held %
<b>Participating interests</b>			
The Scottish Agricultural & Rural Development Centre Limited	Scotland	Ordinary	43.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activity	Capital and reserves 2014 £	Profit/(loss) for the year 2014 £
The Scottish Agricultural & Rural Development Centre Limited	Management of office property occupied by organisations mainly operating in the Agricultural and Rural Sector.	1,162,423	67,849

The historical cost of unlisted investments amounts to £222,287 (2013 : £222,287).

8	Debtors	2014 £	2013 as restated £
	Trade debtors	40,572	40,738
	Other debtors	55,556	46,430
		96,128	87,168
9	Creditors: amounts falling due within one year	2014 £	2013 £
	Trade creditors	104,003	72,344
	Taxation and social security	41,795	31,925
	Other creditors	483,097	494,767
		628,895	599,036
10	Pension costs		

The company operates a defined contribution pension scheme with NFU Mutual for the benefit of employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. Pension contributions payable by the company to the fund. Pension contributions were paid during the year in respect of 1 director (2013 - 1).

## Defined contribution

Contributions payable by the company for the year	112,609	102,687
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# Notes to the Financial Statements for the year ended 31 October 2014 (continued)

## 11 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 November 2013 as previously reported	228,103	1,743,411
Prior year adjustment	-	(121,524)
Balance at 1 November 2013 as restated	228,103	1,621,887
Loss for the year	-	(60,519)
Revaluation during the year	141,253	-
Balance at 31 October 2014	369,356	1,561,368

## 12 Reconciliation of movements in shareholders funds

	2014 £	2013 £
(Loss)/Profit for the financial year	(60,519)	82,968
Other recognised gains and losses	141,253	-
Net addition to members' funds	80,734	82,968
Opening members' funds - as restated	1,849,990	1,767,022
Closing members' funds - as restated	1,930,724	1,849,990

## 13 Financial commitments

At 31 October 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2015:

	Land and buildings 2014 £	2013 £
Operating leases which expire: Between two and five years	62,154	64,555
	62,154	64,555

## 14 Employees

### Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Head office staff	31	30

### Employment costs

	2014 £	2013 £
Wages and salaries	1,232,041	1,149,565
Social security costs	125,774	119,374
Other pension costs	112,609	102,687
	1,470,424	1,371,626

## 15 Related party relationships and transactions

Listed below are the transactions between the company and The Scottish Agricultural & Rural Development Centre Limited, a company in which George Lawrie & Scott Walker are also directors and in which the company owns a 43% investment.

Purchases £79,482 (2013 - £95,499).

Sales £58,279 (2013 - £77,690).

Included in Trade Debtors is £2,793 (2013 - £21,278).

The company paid rent and service charges to the Scottish Agricultural & Rural Development Centre Limited in the year amounting to £64,929 (2013 - £70,262).

George Lawrie, Nigel Miller and Charles Adam are trustees of NFU Scotland Centenary Trust. NFU Scotland provides administrative support to the Centenary Trust and collects donations and other income on behalf of the trust. At the year end, £7,717 (2013 - £5,514) was due to be paid to the trust.

# MANAGEMENT INFORMATION

## Detailed trading and profit & loss account for the year ended 31 October 2014

This does not form part of the statutory accounts and is for information purposes only

	2014 £	2013 £
<b>Turnover</b>		
Subscriptions	2,041,644	2,043,257
Donation from NFU Mutual	537,000	526,000
Sponsorship and services	50,090	60,272
Government Grants*	98,440	19,010
Other income	16,441	11,587
	<u>2,743,615</u>	<u>2,660,126</u>
<b>Administrative expenses</b>	<u>(2,874,618)</u>	<u>(2,654,908)</u>
	(131,003)	5,218
<b>Other operating income</b>		
Rent receivable	16,958	16,354
	<u>(114,045)</u>	<u>21,572</u>
<b>Operating (loss)/profit</b>		
<b>Other interest receivable and similar income</b>		
Bank interest	5,912	6,396
<b>Income from investments</b>		
Investment income	55,141	61,201
	<u>(52,992)</u>	<u>89,169</u>
<b>(Loss)/profit before taxation</b>		

\* Government grant income relates to claims made by NFU Scotland to Scottish Government for expenditure incurred on The Orkney monitor farm and Rural Development Initiative (RDI) projects.



## Schedule of Administrative Expenses for the year ended 31 October 2014

	2014 £	2013 £
<b>Administrative expenses</b>		
Wages and salaries	985,782	921,545
Office bearers remuneration	246,259	228,020
Employer's N.I. contributions	125,774	119,374
Pension contributions	112,609	102,687
Staff recruitment and training	33,164	41,326
Commission and incentives	143,039	116,648
Expenses and representation	378,329	313,568
Branch costs and regional support	207,709	214,142
Promotional costs	254,338	181,639
Administration costs	312,559	336,830
Property expenses	2,564	2,707
Bank charges	8,281	7,724
Audit fees	9,750	9,900
Depreciation on computers and equipment	14,616	12,939
Depreciation on fixtures and fittings	1,703	1,763
Depreciation on motor vehicles	47,549	41,385
(Profit)/Loss on disposal of investments	(9,407)	(616)
(Profit)/Loss on disposal of fixed assets	-	3,327
<b>Total Administration Expenses</b>	<b>2,874,618</b>	<b>2,654,908</b>

## Review of Holdings and Values at 31 October 2014

The following represents assets held within the accounts of NFU Scotland.

### Group 1: Centrally Held, Centrally Controlled *Investments at Speirs and Jeffrey.*

Name	Market Value £	Bank £	2014 Total £	2013 Total £
NFUS Head Office Consolidated Fund	1,135,633	5,570	1,141,203	1,171,020

### Group 2: Centrally Held, Local and Central Control *Investments at Speirs and Jeffrey.*

Name	Market Value	Bank	2014	2013
Arran	3,728	104	3,832	3,788
Balfron & Menteith (B)	1,829	51	1,880	1,859
Banff	36,694	2,878	39,572	40,861
Black Isle & Mid Ross	3,758	105	3,863	3,819
Caithness	17,442	489	17,931	17,724
Easter Ross	5,876	165	6,041	5,971
Fife & Kinross	921	26	947	935
Kintyre	2,948	83	3,031	2,996
Lanark	26,955	755	27,710	27,392
Lochaber (B)	370	10	380	376
Lothians	6,223	174	6,397	6,323
Mid Argyll	2,462	69	2,531	2,502
Moray, Nairn and Strathspey	2,772	78	2,850	2,782
North Argyll	2,528	71	2,599	2,569
Borders*	10,149	284	10,433	-
North East	-	-	-	88
<b>Total</b>	<b>124,655</b>	<b>5,342</b>	<b>129,997</b>	<b>119,985</b>

\* Funds transferred in the year from Group 3 to Group 2

### Group 3: Listed investments held locally and administered by local committee

Name	Market Value	Bank	2014	2013
Angus	67,436	75	67,511	62,537
Ayr	55,338	6,822	62,160	62,808
Borders*	-	-	-	10,202
Bute	-	2,184	2,184	2,184
Dumfries	24,886	25,743	50,629	46,718
Forth Valley	-	1,998	1,998	1,998
Islay and Jura	-	1,085	1,085	1,085
Orkney (shares at cost)	8,000	56,191	64,191	61,241
Wigtownshire	-	3,347	3,347	3,345
<b>Total</b>	<b>155,660</b>	<b>97,445</b>	<b>253,105</b>	<b>252,118</b>
<b>Grand Total</b>	<b>1,415,948</b>	<b>108,357</b>	<b>1,524,035</b>	<b>1,543,123</b>

### Property at Directors' valuation

Property at Directors' Valuation		Amount in £	In the Name of;
Roseburn Maltings	213,675		NFU Scotland
6 King Street, Castle Douglas	82,500		Dumfries and Stewartry Former Area Fund
83 North Street, Forfar	27,500		Angus Area Executive
60 Junction Road, Kirkwall	95,000		Orkney Area Executive