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# FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:

Website address (if available)

Has the address changed during the year to which the return relates? Yes  No  (Tick as appropriate)

General Secretary:

Contact name for queries regarding the completion of this return:

Telephone Number:

e-mail:

**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

**FORM AR27**

**ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION**

**NATIONAL FARMERS' UNION – YEAR ENDED 31 OCTOBER 2015**

**LIST N0: 245E**

**List of Officers as at 31 October 2015:-**

Stephen James	President NFU Wales
Jonathan Brant	Member of the Governance Board
Thomas Binns	Member of the Governance Board
Rosemary Dunn	Member of the Governance Board
Meurig Raymond	President
William Martin	Member of the Governance Board
Guy Smith	Vice President
Minette Batters	Deputy President
Andrew John Robertson	Director General
Charles Sercombe	Member of the Governance Board
Kenneth Sutherland	NFU Secretary

# 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
<b>87,747</b>				<b>87,747</b>

## 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 General	Andrew Robertson	Martin Haworth (Acting)	31 October 2015

# REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	<b>INCOME</b>			
30,630,096	From Members	Subscriptions, levies, etc		30,892,663
1,223,544	Investment income	Interest and dividends (gross)	1,360,998	
65,404		Bank interest (gross)	98,475	
(242,331)		Profit/(Loss) on Sale of Investments	70,276	
8,063,792		Movement in value of investments	12,440,289	
1,880,379		Movement in value of retirement benefits	363,759	
				14,333,797
1,897,700	Other income	Rents received	1,556,930	
				1,556,930
43,518,584	<b>TOTAL INCOME</b>			46,783,390
	<b>EXPENDITURE</b>			
	Administrative expenses			
16,085,813		Remuneration and expenses of staff	16,669,671	
1,526,696		Occupancy costs	2,189,993	
966,147		Printing, Stationery, Post and telephones	599,145	
1,870,057		Legal and Professional fees	2,103,852	
1,857,010		Cost of sales	1,835,326	
-		Miscellaneous expenses	187,583	
				23,585,570
15,343	Other charges	Bank charges	14,029	
471,803		Depreciation and (Profit)/Loss on disposal of assets	557,521	
4,099,940		Members' representation	3,365,923	
972,537		Promotional activities	1,149,393	
1,888,746		Grants - Legal assistance scheme	1,604,463	
521		Interest payable	3,059	
1,518,657		Miscellaneous expenses (attached)	136,988	
				6,831,376
303,621	Taxation			30,416,946
31,576,891		<b>TOTAL EXPENDITURE</b>		658,822
				31,075,768
11,941,693		Surplus/Deficit for year		15,707,622
92,472,347		Amount of fund at beginning of year		104,414,040
104,414,040		Amount of fund at end of year		120,121,662

## ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

<b>ACCOUNT 2</b>		<b>Fund Account</b>	
<b>Name of account:</b>		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
	Surplus on revaluation of fixed asset investments		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
	Transfer of realised gains on investments		
	<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)		

<b>ACCOUNT 3</b>		<b>Fund Account</b>	
<b>Name of account:</b>		£	£
<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)

<b>ACCOUNT 4</b>		<b>Fund Account</b>	
Name of account:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
	Surplus on revaluation of investment property		
	<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)		

<b>ACCOUNT 5</b>		<b>Fund Account</b>	
Name of account:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
	Transfer of realised gains on investments		
	Actuarial gain from PMI scheme		
	Deferred tax on actuarial gain on pension scheme		
	Surplus transferred from the income and expenditure account		
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
	Actuarial loss on pension scheme		
	<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)

<b>ACCOUNT 6</b>		<b>Fund Account</b>	
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)		

<b>ACCOUNT 7</b>		<b>Fund Account</b>	
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 2015

(see notes 19 and 20)

Previous Year		£	£
16,890,966	<b>Fixed Assets</b> (as at page 11)	16,386,892	
	<b>Investments</b> (as per analysis on page 13)		
58,044,358	Quoted	60,287,921	
42,050,000	Investment Property	52,856,500	
	<b>Total Investments</b>		129,531,313
	<b>Other Assets</b>		
3,100,129	Sundry debtors	3,116,266	
9,869,080	Cash at bank and in hand	11,605,045	
	<b>Total of other assets</b>		14,721,311
129,954,533		<b>TOTAL ASSETS</b>	144,252,624
16,224,703	Revaluation of Investments		17,376,044
25,910,468	Capital reserve		25,910,468
34,721,640	Revaluation Reserve		45,528,140
27,557,229	Accumulated funds		31,307,010
	<b>Liabilities</b>		
14,358,140	Retirement benefit obligations	13,238,411	
343,152	Bank overdraft	735,964	
418,312	Tax payable	672,735	
3,829,131	Sundry creditors	3,939,996	
3,614,937	Accrued expenses	2,826,321	
2,976,821	Provisions	2,717,535	
25,540,493		<b>TOTAL LIABILITIES</b>	24,130,962
129,954,533		<b>TOTAL ASSETS</b>	144,252,624



# FIXED ASSETS ACCOUNT

(see note 21)

	F/Hold Property	Fixtures, Fittings & Motor Vehicles	L/Hold Property	Total
	£	£	£	£
<b>COST OR VALUATION</b>				
At start of period	7,143,500	7,736,165	12,500,018	27,379,683
Additions during period	-	51,361	-	51,361
Less: Disposals during period	-	(3,826,960)	-	(3,826,960)
Less: DEPRECIATION:				
Total to end of period	(1,709,667)	(3,537,992)	(1,969,533)	(7,217,192)
<b>BOOK AMOUNT</b> at end of period	5,433,833	422,574	10,530,485	16,386,892
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
<b>AS BALANCE SHEET</b>	5,433,833	422,574	10,530,485	16,386,892

# ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
<b>QUOTED</b>	British Government & British Government Guaranteed Securities	-
	British Municipal and County Securities	-
	Other quoted securities (to be specified)	
	58,044,358 Listed investments	60,287,921
	TOTAL QUOTED (as Balance Sheet)	60,287,921
	*Market Value of Quoted Investments	
<b>UNQUOTED</b>	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Unquoted Investments	

\* 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  NFU Services Limited (formally known as Associa Limited) Theoi Holdings Limited	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)  3687910  00248343		
<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  NFU Services Limited (formally known as Associa Limited) Theoi Holdings Limited	NAMES OF SHAREHOLDERS  <b>National Farmers' Union Trust Company Limited</b>  <b>National Farmers' Union Trust Company Limited</b>		

# SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	30,892,663	-	30,892,663
From Investments	1,360,998	-	1,360,998
Other Income (including increases by revaluation of assets)	14,529,729	-	14,529,729
<b>Total Income</b>	46,783,390	-	46,783,390
<b>EXPENDITURE</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	31,075,768	-	31,075,768
<b>Funds at beginning of year</b> (including reserves)	104,414,040	-	104,414,040
<b>Funds at end of year</b> (including reserves)	120,121,662	-	120,121,662
<b>ASSETS</b>			
Fixed Assets			16,386,892
Investment Assets			113,144,421
Other Assets			14,721,311
		<b>Total Assets</b>	144,252,624
<b>LIABILITIES</b>		<b>Total Liabilities</b>	24,130,962
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			120,121,662

# NOTES TO THE ACCOUNTS

(see note 36)

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

See the attached Financial statements for the year ended 31 October 2015



# 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)

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL FARMERS' UNION**

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We have audited the Group and NFU financial statements (the "financial statements") on pages 6 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the NFU's members, as a body, in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the NFU's members 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 NFU and the NFU's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of officers and auditor**

As more fully explained in the Statement of Officers' Responsibilities set out on page 4, the officers 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the Group and NFU at 31 October 2015 and of the Group's income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992.

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

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to carry out such investigations as will enable us to form an opinion as to whether:

- proper accounting records have been kept in accordance with the requirements of section 28 of the legislation; or
- a satisfactory system of control over transactions has been maintained in accordance with the requirements of that section; or
- the accounts to which the report relates agree with the accounting records; and

to state in our report if, in our opinion, the NFU has failed to comply with section 28 or if the accounts do not agree with the accounting records.

*RSM UK Audit LLP*

**RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)**

**Statutory Auditor**

St Philips Point

Temple Row

Birmingham

B2 5AF

18 January 2016



# AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:	RSM UK AUDIT LLP	
Name(s):	RSM UK AUDIT LLP	
Profession(s) or Calling(s):	STATUTORY AUDITOR	
Address(es):	ST PHILIPS POINT TEMPLE ROW BIRMINGHAM B2 5AF	
Date:	29 <sup>th</sup> March 2016	
Contact name and telephone number:	STEPHANIE WARBOYS 0121 214 3100	

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

CERTIFICATION OFFICE  
FOR TRADE UNIONS  
& EMPLOYERS' ASSOCIATIONS  
31 MAR 2016  
RECEIVED

**THE NATIONAL FARMERS' UNION**

**ANNUAL ACCOUNTS**

**31 OCTOBER 2015**

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# THE NATIONAL FARMERS' UNION

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# THE NATIONAL FARMERS' UNION

## OFFICERS AND PROFESSIONAL ADVISERS

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### OFFICERS

M D Raymond MBE	President
M B Batters	Deputy President
G H Smith	Vice President
S J L James	President of NFU Cymru

### NFU GOVERNANCE BOARD

M D Raymond MBE	President
M B Batters	Deputy President
G H Smith	Vice President
S J L James	President of NFU Cymru
A J Robertson	Director General (resigned 31 October 2015)
R A Dunn	Chairman, North East Region
T W Binns	Chairman, North West Region
J R Brant	Chairman, East Midlands Region
W B Martin	Chairman, Sugar
C R Sercombe	Chairman, Livestock

### SECRETARY OF THE NFU

K Sutherland

### DIRECTORS

A J Robertson	Director General (resigned 31 October 2015)
M A Haworth	Deputy Director General
K Sutherland	Finance and Business Services
H A J Clark	Policy
K D Pearce	Regions
F A Barnes	Communications

### BANKERS

HSBC Bank plc  
Agriculture  
Penman Way  
Grove Park, Enderby  
Leicester  
LE19 1SY

### AUDITOR

RSM UK Audit LLP  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

### REGISTERED OFFICE

Agriculture House	
Stoneleigh Park	Tel: 024 7685 8500
Stoneleigh	Fax: 024 7685 8501
Warwickshire CV8 2TZ	Email: <a href="mailto:nfu@nfu.org.uk">nfu@nfu.org.uk</a>

# THE NATIONAL FARMERS' UNION

## FINANCIAL REPORT

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The officers present their annual report on the affairs of the NFU, together with the financial statements for the year ended 31 October 2015. The NFU's financial outcome has been very good once again this year and its balance sheet has strengthened due the performance of its investment property. The NFU is acutely aware of the current market and cash flow issues facing farmers and these results put it in a position of strength to meet the many challenges facing its members in the coming years.

### Principal Activities

The principal activities of the NFU are to champion British farming and provide representation and professional services to its farmer and grower members.

### Business Review

Consolidated results have been produced for the year. These results include the NFU General Fund, the Legal Assistance Scheme (LAS), and NFU Services Limited along with the adjustments required by Financial Reporting Standard 17 – Retirement Benefits (FRS17). The results of the LAS and the FRS17 assumptions are disclosed in notes 25 and 11 respectively to the full accounts. The NFU will adopt FRS102 for the next financial year.

During the year, the NFU Group showed an operating surplus of £615,764 (2014: £642,653 loss) on consolidation, due to reduced spending on animal health and welfare, which is shown within members' representation costs. Vehicle costs have also be reclassified from establishment to staff costs which accounts for the year on year movements in those areas. This coupled with the surplus on investment activities resulted in the audited accounts showing a surplus on ordinary activities before tax of £3,562,396 (2014: £2,301,143) for the year. The surplus after tax is £2,903,574 (2014: £1,997,522), which has been transferred to the Accumulated Fund.

Members' subscriptions and related income has increased by £0.3 million to £30.9 million (2014: £30.6 million). Within this, the actual subscription income has increased by £0.2 million to £20.3 million. As at 31 October 2015, NFU membership excluding Countryside and Professional stood at 54,494 (2014: 55,116).

Income also included contributions from the NFU Mutual of £6,215,833 (2014: £6,017,000) along with strong advertising sales. The NFU's long standing relationship with the NFU Mutual remains very important to us and we place great value on their support.

Total operating costs are £1.0 million lower than the previous year at £30.3 million (2014: £31.3 million) due to the factors mentioned above.

Consolidated balance sheet reserves have increased by £15.7 million to £120.1 million (2014: £104.4 million). The consolidated balance sheet is shown on page 8 of the accounts with a separate NFU only balance sheet on page 9.

# THE NATIONAL FARMERS' UNION

## FINANCIAL REPORT (Continued)

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### Investments & Property

The value of our listed investments has increased over the year to £60.3 million (2014: £58.0 million). The unrealised increase in value in the year of £1,633,789 (2014: £113,792 increase) is reflected in the Statement of Total Recognised Gains and Losses.

Although our investment portfolios have ended the year £2.3 million above where they started it, there has been volatility throughout. Most major markets performed positively for a large part of the year before falling back towards the end of the period. Signs of a general improvement in the global economic background and continued low interest rates in many developed countries were helpful, however fears over a sharper than anticipated slowdown in China and falling commodity prices contributed to the subsequent uncertainty in equity markets. We will continue to monitor the situation closely with our fund managers, Baillie Gifford and Rathbones.

The yield from our quoted investment portfolios has performed well despite this volatility. Dividends and other investment income amounted to £1,360,998 (2014: £1,400,586).

On 28 August 2015 the NFU concluded an Agreement for Lease with Emirates National Bank of Dubai for a 20 year lease on 25 Knightsbridge at a headline rent of £2.05 million per annum commencing in autumn 2016. Contractors have been appointed and a major refurbishment programme budgeted at £5 million will commence in January 2016.

Our investment properties in Knightsbridge have therefore increased significantly in value by £10.8 million to £52.9 million (2014: £42.1 million). These were valued by Peter Hutchinson of Hutchinson Morrison Childs as at 31 October 2015. The increase is mainly due to increased rental yields, a long-term tenant with a strong covenant and the removal of uncertainty over rental voids if the property had needed to be marketed on a speculative basis.

The NFU also holds operational properties in order to fulfil its commercial and representational needs. There were no significant disposals during the year.

### Pension Scheme

The NFU Staff Pension Scheme was closed to new entrants with effect from 31 October 2000 and closed to further accrual from 30 June 2008. The assets held in the scheme performed well during the year; however bond yields remain low, which tends to cause a larger pension scheme deficit. On the other hand, the NFU paid £0.9 million of pension deficit recovery payments (2014: £1.1 million) during October 2015. The obligation under FRS17 is shown in the balance sheet as £3.1 million (2014: £3.7 million).

During the year the PMI provision fell to £10.1 million (2014: £10.7 million). This is shown in note 11b on page 21.

### Risk Management

The NFU's activities expose it to many types of business risk. The NFU's financial, investment and other strategies seek to mitigate risk wherever practical and possible. A risk register has been approved by the Governance Board and is reviewed regularly by the Audit Committee.



K Sutherland  
Secretary

13 January 2016

## **THE NATIONAL FARMERS' UNION**

### **STATEMENT OF OFFICERS' RESPONSIBILITIES**

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The National Farmers' Union is an unincorporated employers' association registered under the Trade Union and Labour Relations (Consolidation) Act 1992. The officers of the NFU are required by that Act to prepare accounts for each financial year which give a true and fair view of the state of affairs of the NFU and of the income and expenditure of the NFU for that period. The officers have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). In preparing those accounts, the officers are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the NFU will continue in existence.

The officers are responsible for keeping adequate accounting records that are sufficient to show and explain the NFU's transactions and disclose with reasonable accuracy at any time the financial position of the NFU and enable them to ensure that the accounts comply with the provisions of the Trade Union and Labour Relations (Consolidation) Act 1992. They are also responsible for the system of internal control, for safeguarding the assets of the NFU and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL FARMERS' UNION**

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We have audited the Group and NFU financial statements (the "financial statements") on pages 6 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the NFU's members, as a body, in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the NFU's members 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 NFU and the NFU's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of officers and auditor**

As more fully explained in the Statement of Officers' Responsibilities set out on page 4, the officers 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the Group and NFU at 31 October 2015 and of the Group's income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992.

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

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to carry out such investigations as will enable us to form an opinion as to whether:

- proper accounting records have been kept in accordance with the requirements of section 28 of the legislation; or
- a satisfactory system of control over transactions has been maintained in accordance with the requirements of that section; or
- the accounts to which the report relates agree with the accounting records; and

to state in our report if, in our opinion, the NFU has failed to comply with section 28 or if the accounts do not agree with the accounting records.

*RSM UK Audit LLP*

**RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)**  
**Statutory Auditor**  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

18 January 2016



**THE NATIONAL FARMERS' UNION**

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT  
YEAR ENDED 31 OCTOBER 2015**

	Note	2015 £	2014 £
<b>MEMBERS' SUBSCRIPTION AND RELATED INCOME</b>	3	30,892,663	30,630,096
<b>OPERATING COSTS</b>			
Cost of sales		1,835,326	1,857,010
Members' representation	4	3,365,923	4,099,940
Promotional activities	5	1,149,393	972,537
Staff costs	6	16,669,671	16,085,813
Legal assistance scheme	7	1,604,463	1,888,746
Administrative costs	8	2,904,609	2,836,204
Establishment costs	9	2,747,514	3,532,499
		<u>(30,276,899)</u>	<u>(31,272,749)</u>
<b>OPERATING SURPLUS/(LOSS)</b>		615,764	(642,653)
<b>INVESTMENT ACTIVITIES</b>			
Property rental income		1,556,930	1,897,700
Interest on term deposits		98,475	65,404
Dividends and other investment income		1,360,998	1,400,586
Profit/(loss) on sale of investments		70,276	(242,331)
		<u>3,086,679</u>	<u>3,121,359</u>
<b>SURPLUS ON INVESTMENT ACTIVITIES</b>			
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		3,702,443	2,478,706
Interest payable		(3,059)	(521)
Notional finance costs of defined benefit pension and private medical insurance schemes	11	(136,988)	(177,042)
		<u>3,562,396</u>	<u>2,301,143</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			
Tax charge on surplus on ordinary activities	13	(658,822)	(303,621)
		<u>2,903,574</u>	<u>1,997,522</u>
<b>SURPLUS FOR THE YEAR TRANSFERRED TO ACCUMULATED FUND</b>	20		

The net surplus for the year arises from the NFU's continuing operations.

## THE NATIONAL FARMERS' UNION

### CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES AND CONSOLIDATED NOTE OF HISTORICAL COST SURPLUS YEAR ENDED 31 OCTOBER 2015

#### CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Note	2015 £	2014 £
Surplus for the year	20	2,903,574	1,997,522
Revaluation of investment property	15	10,806,500	7,950,000
Revaluation of fixed asset investments	15	1,633,789	113,792
Private Medical Insurance Scheme:			
Actuarial gain	11	745,491	434,232
Pension scheme:			
Actuarial (loss)/gain	11	(477,165)	1,678,674
Deferred tax on actuarial (loss)/gain	11	95,433	(232,527)
		<hr/>	<hr/>
Total recognised gains and (losses) relating to the year		15,707,622	11,941,693
		<hr/> <hr/>	<hr/> <hr/>

#### CONSOLIDATED NOTE OF HISTORICAL COST SURPLUS

	2015 £	2014 £
Surplus on ordinary activities before taxation	3,562,396	2,301,143
Realised revaluation surplus on disposal of investments	482,448	640,305
	<hr/>	<hr/>
<b>HISTORICAL COST SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4,044,844	2,941,448
	<hr/>	<hr/>
<b>HISTORICAL COST RETAINED SURPLUS AFTER TAXATION</b>	3,386,022	2,637,827
	<hr/> <hr/>	<hr/> <hr/>

**THE NATIONAL FARMERS' UNION**

**CONSOLIDATED BALANCE SHEET  
31 OCTOBER 2015**

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	14	16,386,892	16,890,966
Investments			
Property	15	52,856,500	42,050,000
Other	15	60,287,921	58,044,358
		<u>                    </u>	<u>                    </u>
		129,531,313	116,985,324
<b>CURRENT ASSETS</b>			
Debtors	16	3,116,266	3,100,129
Cash at bank and in hand		11,605,045	9,869,080
		<u>                    </u>	<u>                    </u>
		14,721,311	12,969,209
<b>CREDITORS: amounts falling due within one year</b>			
	17	(8,175,016)	(8,205,532)
		<u>                    </u>	<u>                    </u>
<b>NET CURRENT ASSETS</b>		6,546,295	4,763,677
		<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		136,077,608	121,749,001
<b>PROVISIONS FOR LIABILITIES</b>			
	18	(2,717,535)	(2,976,821)
		<u>                    </u>	<u>                    </u>
<b>NET ASSETS EXCLUDING RETIREMENT BENEFIT OBLIGATIONS</b>		133,360,073	118,772,180
<b>RETIREMENT BENEFIT OBLIGATIONS</b>	11	(13,238,411)	(14,358,140)
		<u>                    </u>	<u>                    </u>
<b>NET ASSETS INCLUDING RETIREMENT BENEFIT OBLIGATIONS</b>		120,121,662	104,414,040
		<u>                    </u>	<u>                    </u>
<b>RESERVES</b>	20	120,121,662	104,414,040
		<u>                    </u>	<u>                    </u>

The accounts on pages 6 to 33 were approved by the Officers and authorised for issue on 13 January 2016 and are signed on its behalf by:

M D Raymond  
President

*M.D. Raymond*

**THE NATIONAL FARMERS' UNION**

**NFU BALANCE SHEET  
31 OCTOBER 2015**

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	14	16,386,892	16,890,966
Investments			
Property	15	52,856,500	42,050,000
Other	15	61,037,921	58,794,358
		<u>130,281,313</u>	<u>117,735,324</u>
<b>CURRENT ASSETS</b>			
Debtors	16	3,231,956	2,966,340
Cash at bank and in hand		9,225,038	8,053,143
		<u>12,456,994</u>	<u>11,019,483</u>
<b>CREDITORS: amounts falling due within one year</b>	17	(8,025,291)	(8,184,681)
		<u>4,431,703</u>	<u>2,834,802</u>
<b>NET CURRENT ASSETS</b>			
		<u>134,713,016</u>	<u>120,570,126</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>131,995,481</u>	<u>117,874,612</u>
<b>PROVISIONS FOR LIABILITIES</b>	18	(2,717,535)	(2,695,514)
		<u>131,995,481</u>	<u>117,874,612</u>
<b>NET ASSETS EXCLUDING RETIREMENT BENEFIT OBLIGATIONS</b>			
		<u>131,995,481</u>	<u>117,874,612</u>
<b>RETIREMENT BENEFIT OBLIGATIONS</b>	11	(13,238,411)	(14,358,140)
		<u>118,757,070</u>	<u>103,516,472</u>
<b>NET ASSETS INCLUDING RETIREMENT BENEFIT OBLIGATIONS</b>			
		<u>118,757,070</u>	<u>103,516,472</u>
<b>RESERVES</b>	20	118,757,070	103,516,472

The accounts on pages 6 to 33 were approved by the Officers and authorised for issue on 13 January 2016 and are signed on its behalf by:

M D Raymond  
President

*M. D. Raymond*

**THE NATIONAL FARMERS' UNION**

**CONSOLIDATED CASH FLOW STATEMENT  
YEAR ENDED 31 OCTOBER 2015**

	Note	2015 £	2014 £
<b>Net cash outflow from operating activities</b>	21	(1,057,584)	(1,112,154)
<b>Returns on investments and servicing of finance</b>			
Investment income		2,996,741	3,363,690
Interest paid		(3,059)	(521)
		<u>2,993,682</u>	<u>3,363,169</u>
<b>Taxation</b>			
Tax repaid		-	-
Tax paid		-	-
		<u>-</u>	<u>-</u>
<b>Capital expenditure and financial investment</b>			
Payments for additions to tangible fixed assets		(51,361)	(336,999)
(Costs of)/receipts from (net) sales of tangible fixed assets		(2,086)	111,362
Payments for purchase of investments		(3,409,826)	(4,196,727)
Receipts from sales of investments		2,870,328	4,102,329
		<u>(592,945)</u>	<u>(320,035)</u>
<b>Increase in cash</b>	22	<u>1,343,153</u>	<u>1,930,980</u>
<b>Reconciliation of net cash flows to movement in net funds:</b>			
Increase in cash	22	<u>1,343,153</u>	<u>1,930,980</u>
Change in net funds resulting from cash flows		1,343,153	1,930,980
Net funds at 1 November		<u>9,525,928</u>	<u>7,594,948</u>
<b>Net funds at 31 October</b>	22	<u>10,869,081</u>	<u>9,525,928</u>

# THE NATIONAL FARMERS' UNION

## NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2015

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### 1. BASIS OF ACCOUNTS

The financial statements include the income and expenditure, assets and liabilities of the NFU.

As an unincorporated employers' association, the NFU is not permitted to hold property and investments in its own name. Such assets are required to be held in the name of the trustees in trust for it. The NFU's properties and investments are therefore held in the name of the NFU Trust Co Ltd acting as bare trustee for the NFU. These assets are nevertheless fully accounted for in these financial statements.

Details of subsidiary and related undertakings are summarised in note 23.

### 2. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention, with the exception that fixed asset listed investments and investment property are included at market value, and in accordance with applicable United Kingdom Generally Accepted Accounting Practice.

#### Basis of consolidation

The Group financial statements consolidate the financial statements of the NFU and its subsidiary, NFU Services Limited, made up to 31 October 2015. All intra-group transactions, balances and unrealised gains on transactions between group undertakings are eliminated on consolidation.

#### Subscription income

Subscription income received is allocated as income to the periods to which the subscriptions relate.

#### Contributions from the NFU Mutual Insurance Society Ltd

Contributions from the NFU Mutual Insurance Society Ltd are recognised as income in the period to which the contributions relate.

#### Foreign currencies

Transactions in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates ruling at the balance sheet date. All differences arising on the translation of such items are dealt with in the income and expenditure account.

#### Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, other than freehold land. The rates are calculated to write off the cost of each asset to its estimated residual value over its expected useful life, as follows:

Freehold property	66 years
Leasehold property	Lower of 66 years and the length of the lease
Fixtures and equipment	3-5 years
Vehicles	25% reducing balance

#### Impairments

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments of revalued assets, except those caused by a clear consumption of economic benefit, are recognised in the statement of total recognised gains and losses until the carrying amount reaches depreciated historic cost. All other impairment losses are recognised in the income and expenditure account.

# THE NATIONAL FARMERS' UNION

## NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2015

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### 2. ACCOUNTING POLICIES (Continued)

#### Investment property

In accordance with SSAP 19, the investment property is shown at its open market value and is revalued annually by Chartered Surveyors. The aggregate surplus or deficit on revaluation is transferred to the revaluation reserve. No depreciation is provided in respect of the investment property.

#### Investments

Investments listed on a recognised stock exchange are stated at their market value at the balance sheet date. Although the investments are actively traded within the portfolio, the portfolio is not expected to be realised in the foreseeable future and is therefore classified as a fixed asset investment.

#### Operating leases

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

#### Rent receivable

Rental income from investment properties leased out under operating leases is recognised in the income and expenditure account on an accruals basis over the term of the lease.

Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earliest termination date.

#### Retirement benefits

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

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Total Recognised Gains and Losses.

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

Obligations arising in respect of other post-retirement defined benefit schemes, such as the private medical insurance scheme, are valued annually by an independent qualified actuary. The expected costs of these benefits are accounted for using the same methodology as used for defined benefit pension schemes.

# THE NATIONAL FARMERS' UNION

## NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2015

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### 2. ACCOUNTING POLICIES (Continued)

#### Retirement benefits (Continued)

For defined contribution schemes the amount charged to the income and expenditure account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Legal opinion has been taken in respect of certain voluntary pensions paid by the NFU to past employees, which advised that a constructive obligation exists for the future related pension costs. Accordingly full provision for the estimated future costs has been made within the defined benefit pension scheme liability.

#### Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a 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 the 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 is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is a binding agreement to sell the asset and the gain or loss expected to arise on sale has been recognised.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax is measured on a non-discounted basis.

#### Provisions

Provisions are recognised when the group has a present obligation as a result of a past event and it is probable it will result in an outflow of economic benefits that can be reliably estimated.



# THE NATIONAL FARMERS' UNION

## NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2015

### 3. MEMBERS' SUBSCRIPTIONS AND RELATED INCOME

	2015	2014
	£	£
Income from members:		
Subscriptions	19,048,423	18,862,645
Legal assistance scheme subscriptions	1,275,285	1,281,036
	<u>20,323,708</u>	<u>20,143,681</u>
Other income:		
Sales	2,347,824	2,468,042
Rental income	523,453	589,720
Contributions and other income from the NFU Mutual Insurance Society Ltd	6,215,833	6,017,000
Contributions from other organisations	1,104,016	1,110,549
Other income	377,829	301,104
	<u>10,568,955</u>	<u>10,486,415</u>
	<u><u>30,892,663</u></u>	<u><u>30,630,096</u></u>

### 4. MEMBERS' REPRESENTATION

	2015	2014
	£	£
Meetings and associated expenses	1,710,947	1,487,299
Elected officers' remuneration	272,678	325,887
Overseas visits	109,537	100,111
COPA and other subscriptions	543,070	574,267
Membership retention and recruitment	255,566	405,573
Animal Health and Welfare	474,125	1,206,803
	<u>3,365,923</u>	<u>4,099,940</u>

**THE NATIONAL FARMERS' UNION**

**NOTES TO THE CONSOLIDATED ACCOUNTS  
YEAR ENDED 31 OCTOBER 2015**

<b>5. PROMOTIONAL ACTIVITIES</b>		
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
National shows and events	220,173	280,973
Regional shows and events	302,231	266,502
Public affairs	447,678	204,895
Production costs – Publications	148,832	180,692
Information services	30,479	39,475
	<hr/>	<hr/>
	<b>1,149,393</b>	<b>972,537</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>6. STAFF COSTS</b>		
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Staff remuneration	12,151,945	11,802,513
Personnel costs (NIC, pension contributions, voluntary pensions and welfare)	2,719,195	2,509,195
Staff recruitment and training	397,576	374,263
Staff expenses	960,629	976,497
Group secretary expenses	440,326	423,345
	<hr/>	<hr/>
	<b>16,669,671</b>	<b>16,085,813</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>7. LEGAL ASSISTANCE SCHEME</b>		
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Grants to members	1,604,463	1,888,746
	<hr/>	<hr/>
	<b>1,604,463</b>	<b>1,888,746</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>8. ADMINISTRATIVE COSTS</b>		
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Audit fees:		
NFU	54,500	54,500
NFU Services Limited	4,100	4,100
Professional fees:		
Property	300,773	183,117
Pension administrative costs	203,331	212,110
Other	1,541,148	1,416,230
Printing and stationery	143,267	357,873
Telephone	343,925	349,555
Postage and carriage	111,953	124,841
Other	201,612	133,878
	<hr/>	<hr/>
	<b>2,904,609</b>	<b>2,836,204</b>
	<hr/> <hr/>	<hr/> <hr/>

# THE NATIONAL FARMERS' UNION

## NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2015

9. ESTABLISHMENT COSTS	2015	2014
	£	£
Repairs and maintenance:		
Property	81,391	234,127
Other	519,287	399,559
Depreciation	537,519	546,247
Loss/(profit) on disposal of fixed assets	20,002	(74,444)
Accommodation costs:		
Net rent	384,970	644,230
Rates	434,383	451,185
Light and heat	174,223	168,232
Other	279,703	263,049
General insurance costs	316,036	371,275
Vehicle insurance and licences (1)	-	67,548
Vehicle lease rentals (1)	-	446,148
Bank charges (2)	-	15,343
	<u>2,747,514</u>	<u>3,532,499</u>

(1) These are now included within staff costs.

(2) These are now included within administrative costs

## 10. STAFF NUMBERS

The average number of persons employed by the NFU during the year was:

	2015	2014
	No.	No.
Headquarters	250	239
Regions	90	90
Group secretaries	371	359
	<u>711</u>	<u>688</u>

# THE NATIONAL FARMERS' UNION

## NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2015

### 11. RETIREMENT BENEFIT OBLIGATIONS

GROUP & NFU		2015	2014
		£	£
<b>Amounts recognised in the balance sheet</b>			
Defined benefit pension scheme	a)	3,118,640	3,663,868
Private medical insurance scheme	b)	10,119,771	10,694,272
		<u>13,238,411</u>	<u>14,358,140</u>
<b>Amounts recognised in the income and expenditure account</b>			
Defined benefit pension scheme income	a)	258,700	282,559
Private medical insurance scheme expense	b)	(395,688)	(459,601)
		<u>(136,988)</u>	<u>(177,042)</u>

#### a) Defined benefit scheme

The NFU Staff Pension Scheme was an insured scheme until 30 June 1987, the insurer being the NFU Mutual Insurance Society Ltd. With effect from 1 July 1987, it became a self-administered scheme with a separately invested fund managed by the NFU Mutual Investment Services Ltd on behalf of the Trustee, NFU Staff Pension Trust Company Limited. It is a defined benefit scheme, funded by contributions from both members and employer. The contribution rates are determined by the NFU and the Trustee in accordance with the recommendations included in regular actuarial valuations by an independent professionally qualified actuary.

In addition to funded pensions, the NFU had, in the past, approved the payment of additional voluntary pensions to certain of its pensioners to alleviate the worst effects of inflation. These additional pensions are included within the direct pensions funded through the pension scheme.

The NFU Staff Pension Scheme was closed to new entrants with effect from 31 October 2000 and was closed to future accrual with effect from 30 June 2008.

The NFU has met its statutory obligation to identify a stakeholder pension provider for staff not eligible to join the occupational scheme.

The valuation has been based on the actuarial valuation at 30 June 2014 and updated by Barnett Waddingham LLP to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 October 2015. Scheme assets are stated at their market value at 31 October 2015.

The principal assumptions used to calculate scheme assets and liabilities at the balance sheet date were:

	2015	2014
Discount rate	3.85%	3.90%
Inflation rate RPI	3.35%	3.35%
Inflation rate CPI	2.35%	2.35%
Expected long term rate of return on scheme asset	3.85%	4.30%
Increases to deferred pensions	2.35%	2.35%
Increases to pensions in payment	3.35%	3.35%
Salary increases	3.85%	3.85%
Post retirement mortality assumption	S1NA adjusted by 93% for males and 88% for females with CMI 2013 projections with a long term rate of improvement of 1.5% p.a.	S1NA adjusted by 93% for males and 88% for females with CMI 2010 projections with a long term rate of improvement of 1.5% p.a.

# THE NATIONAL FARMERS' UNION

## NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2015

### 11. RETIREMENT BENEFIT OBLIGATIONS (Continued)

The expected return on assets is a weighted average of the assumed long-term returns for the various asset classes. Equity returns are developed based on the selection of an appropriate risk premium above the risk free rate which is measured in accordance with the yield on government bonds. Bond returns are selected by reference to the yields on government and corporate debt as appropriate to the Scheme's holdings of these instruments.

The revaluation in deferment assumption is based on Consumer Price Index (CPI) inflation rather than RPI inflation. Unlike RPI, there is currently a limited market implied measure of CPI inflation. Historically, CPI has increased at a slower rate than RPI and it is generally accepted that differences in the make-up and calculation method used for the two indices mean that this is likely to continue in future. The assumption for CPI is set by deducting 1% pa from the RPI assumption, which is the same approach as was adopted last year.

The discount rate assumption of 3.85% pa adopted is based on the yield on the Merrill Lynch Nominal AA Corporate spot curve with a duration of 17 years, which broadly matches the duration of the Scheme's liabilities. This is the same assumption that was adopted last year.

The amounts recognised in the balance sheet are:

	Percentage of total assets at 31 October 2015	Value at 31 October 2015 £	Percentage of total assets at 31 October 2014	Value at 31 October 2014 £
Equities	45%	40,350,221	44%	38,883,911
Bonds	53%	47,523,594	54%	47,721,164
Cash	2%	1,793,343	2%	1,767,451
Total market value of assets		89,667,158		88,372,526
Present value of scheme liabilities		(93,565,458)		(92,952,361)
Deficit in the scheme		(3,898,300)		(4,579,835)
Related deferred tax asset		779,660		915,967
Net pension liability		(3,118,640)		(3,663,868)

**THE NATIONAL FARMERS' UNION**

**NOTES TO THE CONSOLIDATED ACCOUNTS  
YEAR ENDED 31 OCTOBER 2015**

**11. RETIREMENT BENEFIT OBLIGATIONS (Continued)**

**Analysis of amounts recognised in statement of total recognised gains and losses:**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Actual return less expected return on pension scheme assets	278,584	(147,593)
Experience gains/(losses) arising on scheme liabilities	-	614,892
Changes in assumptions underlying the present value of the scheme liabilities	(755,749)	1,211,375
	<u>(477,165)</u>	<u>1,678,674</u>

**Analysis of pension scheme investment income:**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Interest cost	(3,553,561)	(3,940,495)
Expected return on assets	3,812,261	4,223,054
	<u>258,700</u>	<u>282,559</u>

**Reconciliation of Assets and Defined Benefit Obligation**

The change in assets over the period was:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Fair value of assets at the beginning of the period</b>	88,372,526	88,353,281
Expected return on assets*	3,812,261	4,223,054
Employer contributions	900,000	1,096,738
Benefits paid	(3,706,266)	(4,384,646)
Actuarial gain/(loss)	278,584	(147,593)
Change in value of annuity assets	10,053	(768,308)
	<u>89,667,158</u>	<u>88,372,526</u>

\*restricted in accordance with paragraph 67(c) of FRS17.

The actual return on the Scheme's assets was £4,214,356 (2014: £3,454,746).

# THE NATIONAL FARMERS' UNION

## NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2015

### 11. RETIREMENT BENEFIT OBLIGATIONS (Continued)

The change in defined benefit obligation over the period was:

	2015 £	2014 £
<b>Defined benefit obligation at the beginning of the period</b>	92,952,361	95,991,087
Interest cost	3,553,561	3,940,495
Change in assumptions	755,749	(1,211,375)
Experience (gains)/losses	-	(614,892)
Benefits paid	(3,706,266)	(4,384,646)
Change in value of insured liabilities	10,053	(768,308)
	<hr/>	<hr/>
<b>Defined benefit obligation at the end of the period</b>	93,565,458	92,952,361
	<hr/> <hr/>	<hr/> <hr/>
<b>Movement in liability during the year:</b>		
	2015 £	2014 £
Deficit in scheme at 1 November	(3,663,868)	(6,213,453)
Movement in year:		
Contributions	900,000	1,096,738
Notional finance income of defined benefit pension scheme	258,700	282,559
Actuarial (loss)/gain	(477,165)	1,678,674
Deferred tax charge	(136,307)	(508,386)
	<hr/>	<hr/>
Deficit in scheme at 31 October	(3,118,640)	(3,663,868)
	<hr/> <hr/>	<hr/> <hr/>

The NFU expects to make payments in to the defined benefit pension scheme of £Nil in the next period (2014: £Nil).

#### Deferred tax charge reconciliation

	2015 £	2014 £
<b>Recognised in Income &amp; Expenditure Account</b>	(231,740)	(275,859)
	<hr/>	<hr/>
<b>Recognised in Statement of Total Recognised Gains and Losses</b>		
Current year	95,433	(335,734)
Effect of change in tax rates	-	103,207
	<hr/>	<hr/>
	95,433	(232,527)
	<hr/>	<hr/>
<b>Total deferred tax charge</b>	(136,307)	(508,386)
	<hr/> <hr/>	<hr/> <hr/>

# THE NATIONAL FARMERS' UNION

## NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2015

### 11. RETIREMENT BENEFIT OBLIGATIONS (Continued)

#### History of experience gains and losses

##### Summary of Prior Year Amounts

Period to	31 October 2015	31 October 2014	31 October 2013	31 October 2012	31 October 2011
Present value of Defined Benefit Obligation	(93,565,458)	(92,952,361)	(95,991,087)	(88,980,830)	(81,456,459)
Scheme Assets	89,667,158	88,372,526	88,353,281	78,660,030	74,918,292
Deficit	(3,898,300)	(4,579,835)	(7,637,806)	(10,320,800)	(6,538,167)
Experience gains and losses on Scheme liabilities	-	614,892	(241,565)	(98,488)	(4,381,856)
Experience adjustments on Scheme assets	278,584	(147,593)	6,905,023	1,662,732	(1,781,182)

#### b) Private medical insurance scheme

The NFU operates a scheme which provides medical insurance for certain senior staff and office-holders, in employment and subsequently in retirement. As at 31 October 2015, 61 (2014: 61) retired individuals currently benefit and no (2014: none) others will be eligible upon retirement. As a result of changes in personnel policy and staff contracts, this benefit will not extend into retirement for new staff appointments made since 1994 and office-holder appointments made since 1996.

The valuation has been undertaken by Barnett Waddingham LLP to take account of the requirements of FRS 17 in order to assess the liability of the scheme at 31 October 2015.

The principal assumptions used to calculate the liability at the balance sheet date were:

	2015	2014
Discount rate	3.75%	3.7%
Increase in healthcare premiums	11.00%	10.00%

If the assumed annual healthcare premium increase is varied up or down by one percent to 10% or 12% the liability would be £8,725,783 (2014: £9,286,905) and £11,736,456 (2014: £12,394,595) respectively.

#### Movement in the private medical insurance scheme obligation:

	2015 £	2014 £
At beginning of the period	(10,694,272)	(10,942,892)
Notional finance costs of private medical insurance scheme	(395,688)	(459,601)
Benefits paid	224,698	273,989
Actuarial gain	745,491	434,232
	<u>(10,119,771)</u>	<u>(10,694,272)</u>



**THE NATIONAL FARMERS' UNION**

**NOTES TO THE CONSOLIDATED ACCOUNTS  
YEAR ENDED 31 OCTOBER 2015**

**12. LEASING AGREEMENTS**

The NFU has entered into a number of operating leases. The lease rentals charged in the year were:

	2015 £	2014 £
Motor vehicles, office equipment, computer hardware and software	384,338	446,148
Land and buildings	384,970	644,230
	<u>384,338</u>	<u>644,230</u>

The NFU has annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Motor vehicles, office equipment, computer hardware and software:		
Expiring within 1 year	144,403	16,377
Expiring between 2 and 5 years	218,744	323,907
Land and buildings:		
Expiring within 1 year	64,520	66,270
Expiring between 2 and 5 years	47,896	60,396
Expiring after 5 years	303,530	312,074
	<u>779,093</u>	<u>779,024</u>

**13. TAX CHARGE ON SURPLUS ON ORDINARY ACTIVITIES**

The taxation charge is made up as follows:

	2015 £	2014 £
UK Corporation tax	306,880	-
Current tax charge	306,880	-
Deferred tax:		
Timing differences, origination and reversal	53,862	89,693
Adjustment in respect of prior years	66,340	(61,931)
Pension scheme liability	231,740	275,859
	<u>351,942</u>	<u>303,621</u>
Total tax charge	<u>658,822</u>	<u>303,621</u>

# THE NATIONAL FARMERS' UNION

## NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2015

### 13. TAX CHARGE ON SURPLUS ON ORDINARY ACTIVITIES (Continued)

Factors affecting the tax charge for the current period:	2015 £	2014 £
Surplus on ordinary activities	3,562,396	2,301,143
Tax at 20% (2014: 20%) thereon	712,479	460,229
Effects of:		
Chargeable disposals	93,048	(45,627)
Expenses not deductible for tax purposes	70,294	86,694
Capital allowances in excess of depreciation	(229,105)	(37,320)
Dividend income	(261,260)	(220,508)
Retirement benefit schemes	(84,577)	(243,297)
Other tax adjustments	(171)	(171)
Effects of changes in tax rates	6,172	-
Current tax charge	306,880	-

### 14. TANGIBLE FIXED ASSETS

#### GROUP & NFU

	Freehold Property £	Leasehold Property £	Furniture Equipment and Vehicles £	Total £
<b>Cost</b>				
At 1 November 2014	7,143,500	12,500,018	7,736,165	27,379,683
Additions	-	-	51,361	51,361
Disposals	-	-	(3,826,960)	(3,826,960)
At 31 October 2015	7,143,500	12,500,018	3,960,566	23,604,084
<b>Accumulated depreciation</b>				
At 1 November 2014	1,621,711	1,758,731	7,108,275	10,488,717
Charge for the year	87,956	210,802	238,761	537,519
Written back on disposals	-	-	(3,809,044)	(3,809,044)
At 31 October 2015	1,709,667	1,969,533	3,537,992	7,217,192
<b>Net book value</b>				
At 31 October 2015	5,433,833	10,530,485	422,574	16,386,892
At 31 October 2014	5,521,789	10,741,287	627,890	16,890,966

# THE NATIONAL FARMERS' UNION

## NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2015

### 15. FIXED ASSET INVESTMENTS

GROUP AND NFU	£
<b>Investment property</b>	
Valuation at 1 November 2014	42,050,000
Surplus on revaluation	10,806,500
	<hr/>
Valuation at 31 October 2015	<u>52,856,500</u>

The Knightsbridge investment property was valued on an open market basis at £52,856,500 (2014: £42,050,000) on 31 October 2015 by Hutchinson Morrison Childs, Chartered Surveyors. The cost of this property at 31 October 2015 was £7,328,360 (2014: £7,328,360).

GROUP AND NFU	Listed investments £
<b>Other fixed asset investments</b>	
Market value	
At 1 November 2014	58,044,358
Purchases	3,409,826
Revaluation	1,633,789
Disposals	(2,800,052)
	<hr/>
Market value	
At 31 October 2015	<u>60,287,921</u>

NFU	Listed investments £	Investment in subsidiary £	Total £
<b>Other fixed asset investments</b>			
Cost or market value			
At 1 November 2014	58,044,358	750,000	58,794,358
Purchases	3,409,826	-	3,409,826
Revaluation	1,633,789	-	1,633,789
Disposals	(2,800,052)	-	(2,800,052)
	<hr/>	<hr/>	<hr/>
Cost or market value			
At 31 October 2015	<u>60,287,921</u>	<u>750,000</u>	<u>61,037,921</u>

The listed investments at market value have an historical cost of £42,912,188 (2014: £41,819,655).

The investment in the subsidiary, NFU Services Limited, comprises a 100% interest in the issued share capital of that company. NFU Services Limited provides membership services.

**THE NATIONAL FARMERS' UNION**

**NOTES TO THE CONSOLIDATED ACCOUNTS  
YEAR ENDED 31 OCTOBER 2015**

**16. DEBTORS**

**GROUP**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Amounts paid in advance	1,603,916	1,048,212
Trade debtors	696,894	656,708
Amounts due from affiliated entities	-	496
VAT refund	37,641	434,844
Other debtors	247,654	429,708
Corporation tax	530,161	530,161
	<u>3,116,266</u>	<u>3,100,129</u>

**NFU**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Amounts paid in advance	1,598,888	1,048,212
Trade debtors	683,053	532,083
Amounts due from NFU Services Limited	146,425	-
Amounts due from affiliated entities	-	496
VAT refund	43,609	434,844
Other debtors	229,820	420,544
Corporation tax	530,161	530,161
	<u>3,231,956</u>	<u>2,966,340</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

**GROUP**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank overdraft	735,964	343,152
Trade creditors	1,173,483	1,058,461
Amounts due to branches	17,256	17,256
Amounts due to affiliated entities	241,225	153,935
Corporation tax	287,218	-
Other taxes and social security	385,517	418,312
Subscriptions received in advance	2,508,032	2,599,479
Other creditors and accruals	2,826,321	3,614,937
	<u>8,175,016</u>	<u>8,205,532</u>

The NFU's banker, HSBC Bank plc has the right of set off between all accounts held with them.

**THE NATIONAL FARMERS' UNION**

**NOTES TO THE CONSOLIDATED ACCOUNTS  
YEAR ENDED 31 OCTOBER 2015**

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (Continued)**

NFU	2015 £	2014 £
Bank overdraft	735,964	343,152
Trade creditors	1,164,285	1,058,461
Amounts due to branches	17,256	17,256
Amount due to NFU Services Limited	-	72,273
Amounts due to affiliated entities	241,225	153,935
Corporation tax	287,218	-
Other taxes and social security	376,095	391,097
VAT due	5,968	-
Subscriptions received in advance	2,429,722	2,540,578
Other creditors and accruals	2,767,558	3,607,929
	<u>8,025,291</u>	<u>8,184,681</u>

The NFU's banker, HSBC Bank plc has the right of set off between all accounts held with them.

**18. PROVISIONS FOR LIABILITIES**

**GROUP**

	Equine provision £	Legal assistance scheme grants £	Deferred tax £	Total £
At 1 November 2014	281,307	1,998,366	697,148	2,976,821
Utilised in the year	(281,307)	(98,181)	-	(379,488)
Transfer from income and expenditure	-	-	120,202	120,202
	<u>-</u>	<u>1,900,185</u>	<u>817,350</u>	<u>2,717,535</u>
At 31 October 2015	<u>-</u>	<u>1,900,185</u>	<u>817,350</u>	<u>2,717,535</u>

**NFU**

	Legal assistance scheme grants £	Deferred tax £	Total £
At 1 November 2014	1,998,366	697,148	2,695,514
Utilised in the year	(98,181)	-	(98,181)
Transfer from income and expenditure	-	120,202	120,202
	<u>1,900,185</u>	<u>817,350</u>	<u>2,717,535</u>
At 31 October 2015	<u>1,900,185</u>	<u>817,350</u>	<u>2,717,535</u>

# THE NATIONAL FARMERS' UNION

## NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2015

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### 18. PROVISIONS FOR LIABILITIES (Continued)

#### Legal assistance scheme grants

These represent outstanding awards at the balance sheet date made under the national legal assistance scheme (see note 25).

#### Equine provision

Until 1 August 2015 NFU Services Limited operated an uninsured loss scheme on behalf of the NFU Mutual Insurance Society Ltd. At that date the liabilities in respect of the scheme was transferred to NFU Mutual Insurance Society Ltd.

### 19. DEFERRED TAX

#### GROUP & NFU

	Accelerated capital allowances £	Other timing differences £	Total £
At 1 November 2014	723,568	(26,420)	697,148
Transfer from income and expenditure	104,266	15,936	120,202
	<hr/>	<hr/>	<hr/>
At 31 October 2015	827,834	(10,484)	817,350

On the basis that there is no binding agreement to sell the assets, provision has not been made for deferred tax in respect of the chargeable gain, which would arise on disposal of the fixed asset investments, included in these financial statements at a valuation of £60,287,921 (2014: £58,044,358). It is estimated if they were to be sold at that valuation the tax liability would be £2,375,000 (2014: £2,375,000).

On the basis that there is no binding agreement to sell the assets, provision has not been made for deferred tax in respect of the chargeable gain, which would arise on the disposal of the investment properties, included in these financial statements at a valuation of £52,856,500 (2014: £42,050,000). It is estimated if they were to be sold at that valuation the tax liability would be £7,063,000 (2014: £4,927,000).

**THE NATIONAL FARMERS' UNION**

**NOTES TO THE CONSOLIDATED ACCOUNTS  
YEAR ENDED 31 OCTOBER 2015**

20. **RESERVES**

<b>GROUP</b>	<b>Revaluation of investments £</b>	<b>Capital reserve £</b>	<b>Revaluation reserve £</b>	<b>Accumulated fund £</b>	<b>Total reserves £</b>
At 1 November 2014	16,224,703	25,910,468	34,721,640	27,557,229	104,414,040
Surplus on revaluation of investment property	-	-	10,806,500	-	10,806,500
Surplus on revaluation of fixed asset investments	1,633,789	-	-	-	1,633,789
Transfer of realised gains on investments	(482,448)	-	-	482,448	-
Actuarial gain on PMI scheme	-	-	-	745,491	745,491
Actuarial (loss) on pension scheme	-	-	-	(477,165)	(477,165)
Deferred tax on actuarial gain on pension scheme	-	-	-	95,433	95,433
Surplus for the year transferred from Income and Expenditure account	-	-	-	2,903,574	2,903,574
<b>At 31 October 2015</b>	<b>17,376,044</b>	<b>25,910,468</b>	<b>45,528,140</b>	<b>31,307,010</b>	<b>120,121,662</b>
NFU – General Fund	13,164,212	25,910,468	45,528,140	24,315,898	108,918,718
NFU – Legal Assistance Scheme	4,211,832	-	-	5,626,603	9,838,435
NFU Services Limited	-	-	-	1,364,509	1,364,509
<b>At 31 October 2015</b>	<b>17,376,044</b>	<b>25,910,468</b>	<b>45,528,140</b>	<b>31,307,010</b>	<b>120,121,662</b>

**THE NATIONAL FARMERS' UNION**

**NOTES TO THE CONSOLIDATED ACCOUNTS  
YEAR ENDED 31 OCTOBER 2015**

**20. RESERVES (Continued)**

**NFU**

	Revaluation of investments £	Capital reserve £	Revaluation reserve £	Accumulated fund £	Total reserves £
At 1 November 2014	16,224,703	25,910,468	34,721,640	26,659,661	103,516,472
Surplus on revaluation of investment property	-	-	10,806,500	-	10,806,500
Surplus on revaluation of fixed asset investments	1,633,789	-	-	-	1,633,789
Transfer of realised gains on investments	(482,448)	-	-	482,448	-
Actuarial gain on PMI scheme	-	-	-	745,491	745,491
Actuarial (loss) on pension scheme	-	-	-	(477,165)	(477,165)
Deferred tax on actuarial gain on pension scheme	-	-	-	95,433	95,433
Surplus for the year transferred from Income and Expenditure account	-	-	-	2,436,550	2,436,550
	<u>17,376,044</u>	<u>25,910,468</u>	<u>45,528,140</u>	<u>29,942,418</u>	<u>118,757,070</u>
At 31 October 2015	<u>17,376,044</u>	<u>25,910,468</u>	<u>45,528,140</u>	<u>29,942,418</u>	<u>118,757,070</u>
NFU – General Fund	13,164,212	25,910,468	45,528,140	24,315,815	108,918,635
NFU – Legal Assistance Scheme	4,211,832	-	-	5,626,603	9,838,435
	<u>17,376,044</u>	<u>25,910,468</u>	<u>45,528,140</u>	<u>29,942,418</u>	<u>118,757,070</u>
At 31 October 2015	<u>17,376,044</u>	<u>25,910,468</u>	<u>45,528,140</u>	<u>29,942,418</u>	<u>118,757,070</u>

**21. RECONCILIATION OF OPERATING SURPLUS TO NET CASH  
OUTFLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Operating surplus/(loss)	615,764	(642,653)
Depreciation of tangible fixed assets	537,519	546,247
Loss/(profit) on sale of tangible fixed assets	20,002	(74,444)
(Increase)/decrease in operating debtors and prepayments	(16,137)	338,617
Decrease in operating creditors and accruals	(710,546)	(308,255)
(Decrease)/increase in other provisions	(379,488)	399,061
Decrease in pension liabilities	(1,124,698)	(1,370,727)
	<u>(1,057,584)</u>	<u>(1,112,154)</u>
Net cash outflow from operating activities	<u>(1,057,584)</u>	<u>(1,112,154)</u>



**THE NATIONAL FARMERS' UNION**

**NOTES TO THE CONSOLIDATED ACCOUNTS  
YEAR ENDED 31 OCTOBER 2015**

**22. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 Nov 2014 £	Cash flow £	At 31 Oct 2015 £
Cash at bank and in hand	9,869,080	1,735,965	11,605,045
Bank overdraft	(343,152)	(392,812)	(735,964)
	<u>9,525,928</u>	<u>1,343,153</u>	<u>10,869,081</u>

**23. RELATED UNDERTAKINGS**

Financial Reporting Standard 2 (FRS2), Accounting for Subsidiary Undertakings, has been interpreted and implemented for the NFU and its related undertakings as follows:

	Activity	Ownership
Related undertakings not consolidated:		
(i)	Unincorporated trust funds:	
	NFU Beet Growers Account	Control & use of voluntary industry levy 100%
	This fund has not been consolidated because the NFU national organisation has no rights in, or control over the assets.	
(ii)	Unincorporated specialist branch funds	Investment & property income 100%
	These accounts have not been consolidated because the NFU national organisation has no rights in, or control over, the locally owned assets of its specialist branches.	
(iii)	Companies incorporated in England, limited by guarantee, control exercised by membership, membership by nominees and/or the appointment of directors:	
	Pig Disease Eradication Fund Ltd	Administration of statutory levy 50%
	Cornwall NFU Company Limited	Administration of funds 100%
	The Pig Disease Eradication Fund has not been consolidated because it is a quasi statutory body for which the NFU provides management services but in which the NFU has no financial interest except on a winding up. Also there are severe restrictions on the use of the funds.	
	Cornwall NFU Company Limited, in which the NFU has no financial interest, was incorporated to administer the remaining funds from the trust in Cornwall.	
(iv)	Companies incorporated in England, limited by guarantee, control exercised by membership, membership by nominees and/or the appointment of directors:	
	NFU Trust Co Ltd	Non-trading trust Company 100%
	Associa Services Ltd	Non-trading 100%
	Associa Ltd	Non-trading 100%

# THE NATIONAL FARMERS' UNION

## NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2015

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### 24. RELATED PARTY TRANSACTIONS

Financial Reporting Standard 8 (FRS8) requires that the following related party transactions which have taken place during the financial year are noted separately. Details of the related parties and the relevant interests of the NFU are shown in note 23.

Administration fees charged to related parties in the year were:

	2015	2014
	£	£
(i) NFU Beet Growers Account		
Administration fees and salaries charged to Beet Growers	260,696	329,431
(ii) Pig Disease Eradication Fund Ltd		
Administration fees charged to Pig Disease Eradication Fund Ltd	3,167	-

At 31 October 2015, the following balances were due to and from related parties:

	2015	2014
	£	£
(i) NFU Beet Growers Account		
Amounts Owed to the NFU	-	32,901

At the 31 October 2015, £3,613 (2014: £4,253) was being held on behalf of The Cornwall NFU Company Limited by the NFU.

The NFU has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

# THE NATIONAL FARMERS' UNION

## NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2015

### 25. LEGAL ASSISTANCE SCHEME

The NFU operates a national legal assistance scheme which was launched on 1 November 1987 to replace various local schemes previously operated by county branches. The scheme is funded by members' additional voluntary subscriptions.

The scheme is consolidated with the General Fund of the NFU in these accounts.

Separate detailed accounts are provided to the Legal Board of the NFU which has responsibility for the administration of the scheme. In summary, the transactions of the scheme in the year ended 31 October 2015 were as follows:

	2015 £	2014 £
<b>Income and expenditure account:</b>		
Income		
Members' subscriptions	1,275,285	1,281,036
	<hr/>	<hr/>
Operating costs		
Grants to members	1,604,463	1,888,746
Administration costs	400,235	389,346
Establishment costs	-	136
	<hr/>	<hr/>
	2,004,698	2,278,228
	<hr/>	<hr/>
Operating loss	(729,413)	(997,192)
Investment income		
- Dividend income	358,401	336,342
- Profit/(loss) on sale of investments	48,822	(52,887)
	<hr/>	<hr/>
(Loss)/profit before taxation	(322,190)	(713,737)
Taxation	97,445	326,722
	<hr/>	<hr/>
Loss for the year	(224,745)	(387,015)
Realised revaluation surplus on disposal of investments	161,732	404,163
Revaluation of fixed asset investments	321,981	(242,291)
	<hr/>	<hr/>
	258,968	(225,143)
	<hr/>	<hr/>
Accumulated fund brought forward	9,579,467	9,804,610
	<hr/>	<hr/>
Accumulated fund carried forward	9,838,435	9,579,467
	<hr/> <hr/>	<hr/> <hr/>

**THE NATIONAL FARMERS' UNION**

**NOTES TO THE CONSOLIDATED ACCOUNTS  
YEAR ENDED 31 OCTOBER 2015**

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**25. LEGAL ASSISTANCE SCHEME (Continued)**

	2015	2014
	£	£
<b>Represented by:</b>		
<b>Fixed assets:</b>		
Listed investments at market value (cost: £8,158,323 ; 2014: £7,632,855)	12,370,155	11,528,365
	<hr/>	<hr/>
<b>Current assets:</b>		
Amount due from NFU General Fund	208,441	375,885
Other debtors	15,556	23,184
	<hr/>	<hr/>
	223,997	399,069
	<hr/>	<hr/>
<b>Current liabilities:</b>		
Other creditors	119,568	6,449
Bank overdraft	735,964	343,152
	<hr/>	<hr/>
	855,532	349,601
	<hr/>	<hr/>
<b>Provisions:</b>		
Grants payable	1,900,185	1,998,366
	<hr/>	<hr/>
<b>Accumulated fund</b>	<u>9,838,435</u>	<u>9,579,467</u>