

Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:

NFU Scotland

Year ended:

31st October 2019

List No:

5036E

Head or Main Office:

West Mains

Rural Centre

Ingliston

Postcode

EH28 8LT

Website address (if available)

www.nfus.org.uk

Has the address changed during the year to which the return relates?

Yes

No

X

('X' in appropriate box)

General Secretary:

Scott Walker (CEO)

Contact name for queries regarding the completion of this return:

Colin Gordon

Telephone Number:

0131 472 4011

E-mail:

colin.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: 0330 1093602

You should sent the annual return to the following address stating the name of the union in subject:

For Employers' Associations based in England and Wales: returns@certoffice.org

For Employers' Associations based in Scotland: ymw@tcyoung.co.uk

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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
8,733	nil	nil	nil	8,733

Change of Officers

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

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change
Director	Gary Mitchell	James Ireland	08 February 2019
Director	David Scarth	Alan Corrigan	08 February 2019

Officers in post

(see note 10)

Please complete list of all officers in post at the end of the year to which this form relates.

Name of Officer	Position held
Gerald Banks	Director
Scott Walker	Director
Andrew McCornick	Director
Jamie Smart	Director
Martin Kennedy	Director
Ian Sands	Director
Roderick Kennedy	Director
Angus MacFadyen	Director
John Dickson	Director
Kelvin Pate	Director
Rupert Shaw	Director
David Winton	Director
William Harper	Director
Martin Birse	Director
James Porter	Director
Robert MacDonald	Director
John Smith	Director
Colin Mair	Director
Jamie Wyllie	Director
Charles Adam	Director
Alan Corrigall	Director
James Ireland	Director

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
	From Members	Subscriptions, levies, etc	2,260,390	2,260,390
	Investment income	Interest and dividends (gross)		
		Bank interest (gross)	5,341	5,341
		Other (specify)		
		Investment Income	84,420	84,420
		Gains and Losses on investments		
		Total Investment Income	89,761	89,761
	Other Income	Rents received	11,333	11,333
		Insurance commission		
		Consultancy fees		
		Publications/Seminars		
		Miscellaneous receipts (specify)		
		Donation	570,000	570,000
		Grants	37,500	37,500
		Sponsorship and rebates	215,107	215,107
		Total of other income		833,940
		Total income		3,184,091
	Interfund Transfers IN			
	Expenditure			
	Administrative expenses	Remuneration and expenses of staff	1,863,016	1,863,016
		Occupancy costs	70,597	70,597
		Printing, Stationery, Post	61,978	61,978
		Telephones	6,841	6,841
		Legal and Professional fees	30,158	30,158
		Miscellaneous (specify)		
		Total of Admin expenses		2,032,590
	Other Charges	Bank charges	12,692	12,692
		Depreciation	61,427	61,427
		Sums written off		
		Affiliation fees		
		Donations		
		Conference and meeting fees	33,553	33,553
		Expenses	1,063,225	1,063,225
		Miscellaneous (specify)		
		Other Revaluations	-129,892	-129,892
		Total of other charges		1,041,005
		Taxation	19,676	19,676
		Total expenditure		3,093,271
	Interfund Transfers OUT			
		Surplus/Deficit for year		90,820
		Amount of fund at beginning of year		2,968,225
		Amount of fund at end of year		3,059,045

(see notes 17 to 18)

[illegible]

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

[illegible][illegible]

(see notes 17 to 18)

[illegible]

Balance Sheet as at [31 October 2019]

(see notes 19 and 20)

Previous Year		£	£
	Fixed Assets (as at Page 8)	659,549	659,549
	Investments (as per analysis on page 9)		
	Quoted (Market value £ 1,917,549) as at Page 9		1,917,549
	Unquoted (Market value £ 598,485) as at Page 9		598,485
	Total Investments	2,516,034	2,516,034
	Other Assets		
	Sundry debtors	141,141	141,141
	Cash at bank and in hand	628,807	628,807
	Stocks of goods		
	Others (specify)		
	Total of other assets	769,948	769,948
	Total Assets		3,945,531
2,968,225	Revenue Account/ General Fund	3,059,045	
	Revaluation Reserve		
	Liabilities		
	Creditors - mounts falling due within one year	743,998	
	Provisions for liabilities	142,488	
	Total Liabilities		886,486
	Total Assets		3,945,531

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	470,000	5,171	159,052	634,223
Additions during period		5,061	98,359	103,420
Less: Disposals			-16,667	-16,667
Less: Depreciation		-2,122	-59,305	-61,427
Total to end of period	470,000	8,110	181,439	659,549
Book Amount at end of period	470,000	8,110	181,439	659,549
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets	470,000	8,110	181,439	659,549

Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	
	2 1/2% Treasury Stock	52,536
	1/8% Treasury Stock	32,288
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
		1,832,725
	Total Quoted (as Balance Sheet)	1,917,549
	Market Value of Quoted Investments	1,917,549
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
	Scottish Agricultural and Rural Development Centre	598,485
	Total Unquoted (as Balance Sheet)	598,485
	Market Value of Unquoted Investments	598,485

* 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 note 23)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?

Yes

No

X

If Yes name the relevant companies:

Company name

Company registration number (if not registered in England & Wales, state where registered)

Incorporated Employers' Associations

Are the shares which are controlled by the association registered in the association's name

Yes

X

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

Unincorporated Employers' Associations

Are the shares which are controlled by the association registered in the names of the association's trustees?

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 24 to 33)

		All Funds	Total Funds
		£	£
Income			
From Members		2,260,390	2,260,390
From Investments		89,761	89,761
Other Income (including increases by revaluation of assets)		833,940	833,940
	Total Income	3,184,091	3,184,091
Expenditure (including decreases by revaluation of assets)			
	Total Expenditure	3,093,271	3,093,271
Funds at beginning of year (including reserves)		2,968,225	2,968,225
Funds at end of year (including reserves)		3,059,045	3,059,045
ASSETS			
	Fixed Assets		659,549
	Investment Assets		2,516,034
	Other Assets		769,948
	Total Assets		3,945,531
Liabilities			
	Total Liabilities		886,486
Net Assets (Total Assets less Total Liabilities)			3,059,045

Notes to the accounts

(see note 34)

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

Attached as apdf of final accounts



Accounting policies

(see notes 35 & 36)

Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Secretary's Signature: 	Chairman's Signature: 
Name: Colin Gordon	Name: Scott Walker (or other official whose position should be stated)
Date: 3rd April 2020	Date: 3rd April 2020

Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes	X	No	
Has the list of officers been completed? (see Page 2A)	Yes	X	No	
Has the return been signed? (see Note 37)	Yes	X	No	
Has the auditor's report been completed? (see Note 41)	Yes	X	No	
Is the rule book enclosed? (see Note 39)	Yes		No	X
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	X	No	

Checklist for auditor's report

(see notes 41 to 44)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

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)

Please explain in your report overleaf or attached.

2. 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)

Please explain in your report overleaf or attached.

3. Your auditors or auditor must include in their report the following wording:

In our opinion the financial statements:

- **give a true and fair view of the matters to which they relate to.**
- **have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.**

Auditor's report (continued)

See Attached report

Signature(s) of auditor or auditors:

Holmes

Name(s):

David Holmes

Profession(s) or Calling(s):

Senior Statutory Auditor

Address(es)

7-11 Melville Street, Edinburgh
EH3 7PE

Date:

3rd April 2020

Contact name for enquiries and telephone number:

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

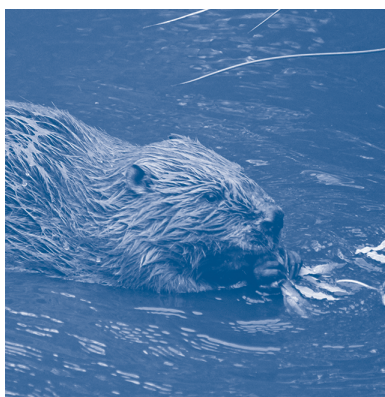
We have audited the financial statements of NFU Scotland for the year ended 31 October 2019 and in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2019 and its surplus for the year then ended. The financial statements have been prepared in accordance with the requirements of the section 28 to 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

We are 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.

Use of our report

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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



2019 Financial Report

Be Supported. Be Rewarded. Be United.

Directors’ Report for the year ended 31 October 2019

The directors present their annual report and financial statements for the year ended 31 October 2019.

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 directors who held office during the year and up to the date of signature of the financial statements were as follows:

Gerald Peter Banks	
Scott Alexander Walker	
Andrew McCornick	
Gary Leslie Dixon Mitchell	(Resigned 8 February 2019)
Jamie Brown Smart	
Martin Colin Kennedy	
Ian Kerr Sands	
Roderick Kennedy	
Angus MacFadyen	
John Livingstone Dickson	
Kelvin Logan Pate	
Rupert Hugh Stewart Shaw	
David William Winton	
William Martin Harper	
Martin Stevenson Birse	
James Gray Porter	
Robert Donald Macdonald	
John Millar Smith	
Colin William Mair	
David Barnett Scarth	(Resigned 8 February 2019)
Jamie Hamilton Murray Wyllie	
Charles Robert Adam	
Alan Robert William Corrigan	(Appointed 8 February 2019)
James Hastings Ireland	(Appointed 8 February 2019)

Auditor

In accordance with the company’s articles, a resolution proposing that Johnston Carmichael LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors’ responsibilities

The directors are responsible for preparing the annual 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 surplus or deficit 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.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company’s auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Charles Robert Adam

Director
4th December 2019

Independent Auditor’s Report to the Members of NFU Scotland

Opinion

We have audited the financial statements of NFU Scotland (the ‘company’) for the year ended 31 October 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Members’ Funds, the Statement of Cash Flows and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) and Chapter 1A Small Entities.

In our opinion the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 October 2019 and of its surplus 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors’ report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors’ Report.

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Independent Auditor’s Report to the Members of NFU Scotland

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 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 company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

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

4th December 2019

Chartered Accountants
Statutory Auditor 7-11 Melville Street
Edinburgh
EH3 7PE

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2019

	Notes	2019 £	2018 £
Turnover		3,045,497	2,984,174
Administrative expenses		(3,203,487)	(3,027,293)
Other operating income		48,833	15,308
Operating (deficit)/surplus	2	(109,157)	(27,811)
Interest receivable and similar income		89,761	72,285
Unrealised fair value gains and (losses) on investments		141,407	(41,833)
Unrealised fair value gains and (losses) on investment properties		-	40,000
Realised gains and (losses) on investments		(11,515)	-
Surplus before taxation		110,496	42,641
Taxation	4	(19,676)	15,783
Surplus for the financial year		90,820	58,424
Total comprehensive income for the year		90,820	58,424

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations. Taxation comprises of current and deferred taxation. More details are in note 4.

BALANCE SHEET AS AT 31 OCTOBER 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	5		189,549		164,224
Investment properties	6		470,000		470,000
Investments	7		2,516,034		2,420,041
			3,175,583		3,054,265
Current assets					
Debtors	9	141,141		91,327	
Cash at bank and in hand		628,807		742,010	
		769,948		833,337	
Creditors: amounts falling due within one year	10	(743,998)		(792,925)	
Net current assets			25,950		40,412
Total assets less current liabilities			3,201,533		3,094,677
Provisions for liabilities	11		(142,488)		(126,452)
Net assets			3,059,045		2,968,225
Capital and reserves					
Revaluation reserve	12	1,148,722		1,160,047	
Retained earnings			1,910,323		1,808,178
Total equity			3,059,045		2,968,225

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 4th December 2019 and are signed on its behalf by:

Jamie Brown Smart	Charles Robert Adam	
Director	Director	Company Registration No. SC214564

STATEMENT OF CHANGES IN MEMBERS’ FUNDS
FOR THE YEAR ENDED 31 OCTOBER 2019

	Revaluation reserve	Retained earnings	Total
	£	£	£
Balance at 1 November 2017	1,142,273	1,767,528	2,909,801
Year ended 31 October 2018:			
Surplus and total comprehensive income for the year	-	58,424	58,424
Transfer of unrealised gains	17,774	(17,774)	-
Balance at 31 October 2018	1,160,047	1,808,178	2,968,225
Year ended 31 October 2019:			
Surplus and total comprehensive income for the year	-	90,820	90,820
Transfer of realised gains	(32,390)	32,390	-
Transfer of unrealised gains	21,065	(21,065)	-
Balance at 31 October 2019	1,148,722	1,910,323	3,059,045

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2019

	Notes	2019	2018
		£	£
Cash flows from operating activities			
Cash (absorbed by)/generated from operations	14	(96,582)	110,887
Income taxes paid		(1,141)	(2,859)
Net cash (outflow)/inflow from operating activities		(97,723)	108,028
Investing activities			
Purchase of tangible fixed assets		(97,671)	(56,097)
Proceeds on disposal of tangible fixed assets		18,824	2,500
Purchase of fixed asset investments		(110,817)	(7,645)
Proceeds on disposal of fixed asset investments		131,257	8,404
Interest received		5,341	753
Dividends received		84,420	71,532
Net cash generated from investing activities		31,354	19,447
Net (decrease)/increase in cash and cash equivalents		(66,369)	127,475
Cash and cash equivalents at beginning of year		695,176	567,701
Cash and cash equivalents at end of year		628,807	695,176
Relating to:			
Cash at bank and in hand		628,807	742,010
Bank overdrafts included in creditors payable within one year		-	(46,834)

Notes to the Financial Statements for the year ended 31 October 2019

1 Accounting policies

Company information

NFU Scotland is a private company limited by guarantee incorporated in Scotland. The registered office is Rural Centre - West Mains, Ingliston, Newbridge, Midlothian, EH28 8LT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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 are recognised when received. Sundry income is recognised when payment notification is received.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets include investment properties professionally valued by Chartered Surveyors on an existing use open market value basis. Investment properties are not depreciated. Other tangible fixed assets 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:

Fixtures, fittings & equipment	20% Straight Line
Computer equipment	33% Straight Line
Motor vehicles	25% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the statement of comprehensive income.

1.5 Investment properties

Investment property, which is property held to earn rentals and for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the statement of comprehensive income.

1.6 Fixed asset investments

Interests in associates are initially measured at transaction price, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in the statement of comprehensive income.

Realised profit or losses over value on the disposal of investments are the difference between the fair value of the consideration received less any directly attributable costs on the sale of equity investments and their carrying value at the start of the accounting period.

Unrealised gains or losses on the revaluation of investments are the movement in the carrying value of investments between the start and end of the accounting period.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a longterm interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

Notes to the Financial Statements for the year ended 31 October 2019 (continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company’s balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in associates and listed investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the statement of comprehensive income account. Fair value of listed investments is the market price of these investments at the reporting date. Fair value of investments in associates is based on the fair value of net assets of the associate and the percentage holding the company has in the associate.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of comprehensive income account, are assessed for indicators of impairment at each reporting end date. Any impairment loss is recognised in the statement of comprehensive income account.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities, and includes the revaluation reserve and the retained earnings.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company’s contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from net surplus as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Notes to the Financial Statements for the year ended 31 October 2019 (continued)

1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the statement of comprehensive income in the year they are payable.

1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.14 Government grants

Grants towards revenue expenditure are recognised in the profit and loss account as the related expenditure is incurred.

1.15 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.

2 Operating deficit

	2019 £	2018 £
Operating (deficit)/surplus for the year is stated after charging:		
Fees payable to the company’s auditor for the audit of the company’s financial statements	12,850	12,480

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 41 (2018 - 38).

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,534,016	1,345,646
Social security costs	153,397	140,419
Pension costs	134,373	122,830
	1,821,786	1,608,895

4 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on surplus for the current period	4,457	2,973
Adjustments in respect of prior periods	(817)	851
Total current tax	3,640	3,824
Deferred tax		
On unrealised gains or losses on investments	16,036	(19,607)
Total tax charge	19,676	(15,783)

Current taxation arises on realised gains or losses from investments.

Deferred taxation relates to unrealised gains or losses on investments.

Notes to the Financial Statements for the year ended 31 October 2019 (continued)

5	Tangible fixed assets	£
Cost		
At 1 November 2018		416,838
Additions		103,420
Disposals		(135,746)
At 31 October 2019		384,512
Depreciation and impairment		
At 1 November 2018		252,614
Depreciation charged in the year		61,427
Eliminated in respect of disposals		(119,078)
At 31 October 2019		194,963
Carrying amount		
At 31 October 2019		189,549
At 31 October 2018		164,224
6	Investment property	2019 £
Fair value		
At 1 November 2018 and 31 October 2019		470,000

Investment property comprises four properties. A market value of £192,500 was obtained in November 2018 for two of these properties. The directors have carried out their own assessment for the other two properties based on available market information.

Notes to the Financial Statements for the year ended 31 October 2019 (continued)

7	Fixed asset investments	2019 £	2018 £		
Investments		2,516,034	2,420,041		
The historic cost of unlisted investments amounts to £222,287 (2018: £222,287). The historic cost of listed investments amounts to £1,102,323 (2018: £1,097,261).					
Movements in fixed asset investments					
	Unlisted investments £	Listed investments £	Total £		
Cost or valuation					
At 1 November 2018	581,179	1,838,862	2,420,041		
Additions	-	110,817	110,817		
Valuation changes	17,306	111,432	128,738		
Disposals	-	(143,562)	(143,562)		
At 31 October 2019	598,485	1,917,549	2,516,034		
Carrying amount					
At 31 October 2019	598,485	1,917,549	2,516,034		
At 31 October 2018	581,179	1,838,862	2,420,041		
8	Associates				
Details of the company's associates at 31 October 2019 are as follows:					
	Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
	Scottish Agricultural & Rural Development Centre Limited	Scotland	Management of office property occupied by organisations mainly operating in the Agricultural and Rural sector	Ordinary	43
9	Debtors: amounts falling due within one year			2019 £	2018 £
Trade debtors				58,572	42,454
Other debtors				82,569	48,873
				141,141	91,327
10	Creditors: amounts falling due within one year			2019 £	2018 £
Bank loans and overdrafts				-	46,834
Trade creditors				67,013	65,629
Corporation tax				4,456	1,957
Other taxation and social security				62,218	65,719
Other creditors				610,311	612,786
				743,998	792,925
11	Provisions for liabilities			2019 £	2018 £
Deferred tax liabilities				142,488	126,452
				142,488	126,452

Deferred tax liabilities arise on unrealised gains on investment properties and investments.

Notes to the Financial Statements for the year ended 31 October 2019 (continued)

12 Revaluation reserve

	2019 £	2018 £
At beginning of the year	1,160,047	1,142,273
Other movements	(11,325)	17,774
	<hr/>	<hr/>
At end of the year	1,148,722	1,160,047
	<hr/>	<hr/>

Where assets are included at fair value, the unrealised uplift in their value is transferred from retained earnings to the revaluation reserve. Deferred tax movements on these unrealised gains are also transferred from retained earnings to the revaluation reserve.

13 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

Listed below are the transactions between the company and The Scottish Agricultural & Rural Development Centre Limited, a company in which Gerald Banks and Scott Walker are also directors and in which the company has a 43% interest.

Purchases £110,739 (2018: £101,846)
Sales £94,606 (2018: £76,604)
Included in debtors is £17,678 (2018: £17,878)
Included in creditors is £4,742 (2018: £nil)

The company paid rent and service charges to the Scottish Agricultural & Rural Development Centre Limited in the year amounting to £85,135 (2018: £84,034).

14 Cash generated from operations

	2019 £	2018 £
Surplus for the year after tax	90,820	58,424
Adjustments for:		
Taxation charged/(creditedd)	19,676	(15,783)
Investment income	(89,761)	(72,285)
Gain on disposal of tangible fixed assets	(7,887)	(2,500)
Fair value gains and losses on investment properties	-	(40,000)
(Loss)/Gain on disposal of investments	11,515	-
Depreciation and impairment of tangible fixed assets	61,427	55,749
Fair value gains and losses on investments	(141,407)	41,833
Movements in working capital:		
(Increase)/decrease in debtors	(49,814)	10,506
Increase in creditors	8,849	74,943
	<hr/>	<hr/>
Cash (absorbed by)/generated from operations	(96,582)	110,887
	<hr/>	<hr/>

NFU SCOTLAND
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2019

MANAGEMENT INFORMATION

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER 2019

	£	2019 £	£	2018 £
Turnover				
Subscriptions		2,260,390		2,200,389
Donation from NFU Mutual		570,000		568,000
Sponsorship and services		62,583		60,000
Other income		152,524		155,785
		3,045,497		2,984,174
Other operating income				
Rent receivable	11,333		15,308	
Government grants receivable and released	37,500		-	
		48,833		15,308
		(3,203,487)		(3,027,293)
Administrative expenses				
Operating (deficit)/surplus		(109,157)		(27,811)
Investment revenues				
Bank interest	5,341		753	
Investment income	84,420		71,532	
		89,761		72,285
Other gains and losses				
Unrealised fair value movements in investments		141,407		(41,833)
Unrealised fair value gains and losses on investment properties		-		40,000
Fair value gains and losses on investments		(11,515)		-
		110,496		42,641
Surplus before taxation				

SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 OCTOBER 2019

	2019 £	2018 £
Administrative expenses		
Wages and salaries	1,249,576	1,113,257
Social security costs	153,397	140,419
Staff training	41,230	33,205
Staff pension costs defined contribution	134,373	122,830
Directors' remuneration	284,440	281,304
Expenses and representation	348,479	350,409
Commission and incentives	170,614	185,463
Property costs	5,969	5,761
Administration costs	356,376	334,785
Audit fees	12,850	12,505
Bank charges	12,691	11,152
Branch costs and regional support	217,682	223,692
Promotional costs	162,270	159,262
Depreciation	61,427	55,749
(Profit) on sale of tangible assets and investments	(7,887)	(2,500)
	3,203,487	3,027,293

Review of Holdings and Values at 31 October 2019

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

Group 1: Centrally Held, Centrally Controlled *Investments at Rathbones.*

Name	Market Value £	Bank £	2019 Total £	2018 Total £
NFUS Head Office Consolidated Fund	1,511,146	36,481	1,547,627	1,475,006

Group 2: Centrally Held, Local and Central Control *Investments held at Rathbones.*

Name	Market Value £	Bank £	2019 £	2018 £
Arran	5,559	422	5,981	5,583
Balfron & Menteith (B)	2,728	207	2,935	2,740
Banff	51,557	2,910	54,467	50,246
Black Isle & Mid Ross	5,106	388	5,494	5,629
Caithness	24,023	1,825	25,848	26,126
Easter Ross	8,266	628	8,894	8,802
Fife & Kinross	1,374	104	1,478	1,379
Kintyre	4,398	334	4,732	4,417
Lanark	37,065	2,816	39,881	37,225
Lochaber (B)	551	42	593	553
Lothians	7,281	553	7,834	7,313
Mid Argyll	3,671	279	3,950	3,687
Moray , Nairn and Strathspey	3,491	265	3,756	3,506
North Argyll	3,770	286	4,056	3,786
Borders	14,692	1,116	15,808	14,756
Mid and East Berwick	11,730	891	12,621	11,780
Speyside	1,742	132	1,874	1,749
Total	187,004	13,198	200,202	189,277

Group 3: Investments and bank accounts held locally and administered by local committee

Name	Market Value £	Bank £	2019 £	2018 £
Angus	94,307	75	94,382	92,972
Ayr	75,395	6,212	81,607	74,733
Bute	-	2,184	2,184	2,184
Dumfries	41,697	20,454	62,151	57,013
Forth Valley	-	1,998	1,998	1,998
Islay and Jura	-	1,134	1,134	1,085
Orkney (shares at cost)	8,000	74,008	82,008	75,024
Wigtownshire	-	3,357	3,357	3,357
Total	219,399	109,422	328,821	308,366

Grand Total	1,917,549	159,101	2,076,650	1,972,649
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Property at market values

Roseburn Maltings	250,000
6 King Street, Castle Douglas	82,500
83 North Street, Forfar	27,500
60 Junction Road, Kirkwall	110,000

In the Name of;

NFU Scotland
Dumfries and Stewartry Former Area Fund
Angus Area Executive
Orkney Area Executive



For a dyslexic-friendly copy of
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