

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 2020				
List No:					
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	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	('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
8,815	nil	nil	nil	8,815

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
See	Attached	Sheet	

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
James Cameron Maciver	Director
Scott Walker	Director
Andrew McCornick	Director
Andrew Connon	Director
Martin Kennedy	Director
Gary Mitchell	Director
Colin Ferguson	Director
Angus MacFadyen	Director
William Thomson	Director
Robin Traquair	Director
Rupert Shaw	Director
Euan Walker-Munro	Director
William Harper	Director
James Ireland	Director
James Porter	Director
Robert MacDonald	Director
Cecil Eunson	Director
Colin Mair	Director
Jamie Wyllie	Director
Charles Adam	Director
Thomas French	Director
Duncan Macalister	Director

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
	From Members	Subscriptions, levies, etc	2,290,963	2,290,963
	Investment income	Interest and dividends (gross)		
		Bank interest (gross)	4,529	4,529
		Other (specify)		
		Investment Income	50,237	50,237
		Gains and Losses on investments		
		Total Investment Income	54,766	54,766
	Other Income	Rents received	8,633	8,633
		Insurance commission		
		Consultancy fees		
		Publications/Seminars		
		Miscellaneous receipts (specify)		
		Donation	586,000	586,000
		Grants	49,167	49,167
		Sponsorship and rebates	233,957	233,957
		Sales of Services	13,610	13,610
		Total of other income		891,367
		Total income		3,237,096
		Interfund Transfers IN		
	Expenditure			
	Administrative expenses	Remuneration and expenses of staff	1,926,158	1,926,158
		Occupancy costs	71,179	71,179
		Printing, Stationery, Post	69,185	69,185
		Telephones	6,622	6,622
		Legal and Professional fees	13,973	13,973
		Miscellaneous (specify)		
		Total of Admin expenses		2,087,117
	Other Charges	Bank charges	10,981	10,981
		Depreciation	62,616	62,616
		Sums written off		
		Affiliation fees		
		Donations		
		Conference and meeting fees	31,969	31,969
		Expenses	793,553	793,553
		Miscellaneous (specify)		
		Other Revaluations	286,275	286,275
		Total of other charges		1,185,394
		Taxation	-31,206	-31,206
		Total expenditure		3,241,305
		Interfund Transfers OUT		
		Surplus/Deficit for year		-4,209
		Amount of fund at beginning of year		3,059,045
		Amount of fund at end of year		3,054,836

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 2		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other Income (specify)		
		Total Income	
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Account 3		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		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 Revenue Account/General Fund

(see notes 17 to 18)

Account 4		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Account 5		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		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 Revenue Account/General Fund

(see notes 17 to 18)

Account 6		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Account 7		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
		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 2020]

(see notes 19 and 20)

Previous Year		£	£
	Fixed Assets (as at Page 8)	693,178	693,178
	Investments (as per analysis on page 9)		
	Quoted (Market value £ 1,669,306) as at Page 9		1,669,306
	Unquoted (Market value £ 533,991) as at Page 9		533,991
	Total Investments	2,203,297	2,203,297
	Other Assets		
	Sundry debtors	102,868	102,868
	Cash at bank and in hand	926,447	926,447
	Stocks of goods		
	Others (specify)		
	Total of other assets	1,029,315	1,029,315
	Total Assets		3,925,790
3,059,045	Revenue Account/ General Fund	3,054,836	
	Revaluation Reserve		
	Liabilities		
	Creditors - amounts falling due within one year	760,521	
	Provisions for liabilities	110,433	
	Total Liabilities		870,954
	Total Assets		3,925,790

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	470,000	8,110	181,439	659,549
Additions during period		1,107	121,040	122,147
Less: Disposals			-40,450	-40,450
Less: Depreciation		-2,430	-45,638	-48,068
Total to end of period	470,000	6,787	216,391	693,178
Book Amount at end of period	470,000	6,787	216,391	693,178
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets	470,000	6,787	216,391	693,178

Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	
	2 1/2% Treasury Stock	47,366
	1/8% Treasury Stock	32,858
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
		1,589,082
	Total Quoted (as Balance Sheet)	1,669,306
	Market Value of Quoted Investments	1,669,306
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
	Scottish Agricultural and Rural Development Centre	533,991
	Total Unquoted (as Balance Sheet)	533,991
	Market Value of Unquoted Investments	533,991

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

Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
	£	£
Income		
From Members	2,290,963	2,290,963
From Investments	54,766	54,766
Other Income (including increases by revaluation of assets)	891,367	891,367
Total Income	3,237,096	3,237,096
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	3,241,305	3,241,305
Funds at beginning of year (including reserves)		
	3,059,045	3,059,045
Funds at end of year (including reserves)		
	3,054,836	3,054,836
ASSETS		
	Fixed Assets	693,178
	Investment Assets	2,203,297
	Other Assets	1,029,315
	Total Assets	3,925,790
Liabilities		
	Total Liabilities	870,954
Net Assets (Total Assets less Total Liabilities)		3,054,836

Notes to the accounts

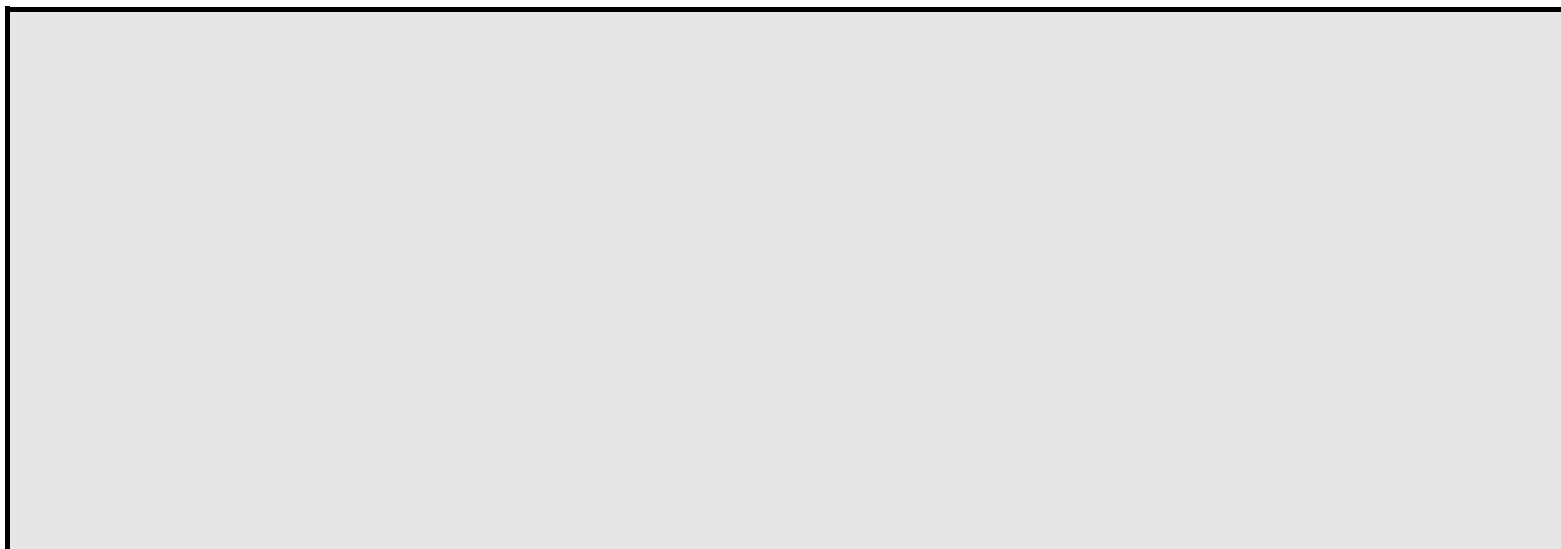
(see note 34)

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

Attached as a pdf of final accounts

Accounting policies


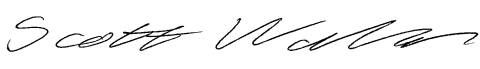
(see notes 35 & 36)



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:	
			(or other official whose position should be stated)
Name:	Colin Gordon (Finance Director)	Name:	Scott Walker (Chief Executive Officer)
Date:	18 May 2021	Date:	18 May 2021

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 P16

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:

17 May 2021

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 2020 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 2020 and its deficit 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.

Change of Officers

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change
Director	Gerald Banks	Andrew Connon	7th February 2020
Director	Jamie Smart	Cameron Maciver	7th February 2020
Director	Ian Sands	Gary Mitchell	7th February 2020
Director	Roderick Kennedy	William Thomson	7th February 2020
Director	John Dickson	Robin Traquair	7th February 2020
Director	Kelvin Pate	Euan Walker-Munro	7th February 2020
Director	David Winton	Cecil Eunson	7th February 2020
Director	Martin Birse	Thomas French	7th February 2020
Director	John Smith	Duncan Macalister	7th February 2020
Director	Alan Corrigan	Colin Ferguson	7th February 2020



Financial Report



2020



BE SUPPORTED.
BE REWARDED.
BE UNITED.

The Directors present their Annual Report and Financial Statements for the year ended 31 October 2020

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	(Resigned 7 February 2020)
Scott Alexander Walker	
Andrew McCornick	
Jamie Brown Smart	(Resigned 7 February 2020)
Martin Colin Kennedy	
Ian Kerr Sands	(Resigned 7 February 2020)
Roderick Kennedy	(Resigned 7 February 2020)
Angus MacFadyen	
John Livingstone Dickson	(Resigned 7 February 2020)
Kelvin Logan Pate	(Resigned 7 February 2020)
Rupert Hugh Stewart Shaw	
David William Winton	(Resigned 7 February 2020)
William Martin Harper	
Martin Stevenson Birse	(Resigned 7 February 2020)
James Gray Porter	
Robert Donald Macdonald	
John Millar Smith	(Resigned 7 February 2020)
Colin William Mair	
Jamie Hamilton Murray Wyllie	
Charles Robert Adam	
Alan Robert William Corrigan	(Resigned 7 February 2020)
James Hastings Ireland	
Andrew James Connon	(Appointed 7 February 2020)
James Cameron Maciver	(Appointed 7 February 2020)
Gary Leslie Dixon Mitchell	(Appointed 7 February 2020)
William James Thomson	(Appointed 7 February 2020)
Robin James Traquair	(Appointed 7 February 2020)
Euan Walker-Munro	(Appointed 7 February 2020)
Cecil Robert Hugh Eunson	(Appointed 7 February 2020)
Thomas Aitken French	(Appointed 7 February 2020)
Duncan Joachim Macalister	(Appointed 7 February 2020)
Colin Robert Ferguson	(Appointed 7 February 2020)

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

04 December 2020

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 2020 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).

In our opinion the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 October 2020 and of its deficit 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 (continued)

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities, set out on page 2, 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
07 December 2020

Chartered Accountants
Statutory Auditor

7-11 Melville Street
Edinburgh
EH3 7PE

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2020

		2020	2019
	Notes	£	£
Turnover		3,124,530	3,045,497
Administrative expenses		(2,986,236)	(3,203,487)
Other operating income		57,800	48,833
Operating surplus/(deficit)	2	196,094	(109,157)
Interest receivable and similar income		54,766	89,761
Unrealised fair value gains and losses on investments		(262,887)	141,407
Realised gains and losses on investments		(23,388)	(11,515)
(Deficit)/surplus before taxation		(35,415)	110,496
Taxation	4	31,206	(19,676)
(Deficit)/surplus for the financial year		(4,209)	90,820
Total comprehensive (expense)/income for the year		(4,209)	90,820

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 2020

		2020	2019
	Notes	£	£
Fixed assets			
Tangible assets	5	223,178	189,549
Investment properties	6	470,000	470,000
Investments	7	2,203,297	2,516,034
		2,896,475	3,175,583
Current assets			
Debtors	9	102,868	141,141
Cash at bank and in hand		926,447	628,807
		1,029,315	769,948
Creditors: amounts falling due within one year	10	(760,521)	(743,998)
Net current assets		268,794	25,950
Total assets less current liabilities		3,165,269	3,201,533
Provisions for liabilities	11	(110,433)	(142,488)
Net assets		3,054,836	3,059,045
Capital and reserves			
Revaluation reserve	12	1,004,955	1,148,722
Profit and loss reserves		2,049,881	1,910,323
Total equity		3,054,836	3,059,045

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 04 December 2020 and are signed on its behalf by:

Scott Alexander Walker
Director

Company Registration No. SC214564

STATEMENT OF CHANGES IN MEMBERS' FUNDS FOR THE YEAR ENDED 31 OCTOBER 2020

	Revaluation reserve	Retained earnings	Total
	£	£	£
Balance at 1 November 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 losses	(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
Year ended 31 October 2020:			
Deficit and total comprehensive expense for the year	-	(4,209)	(4,209)
Transfer of realised losses	(3,604)	3,604	-
Transfer of unrealised losses	(140,163)	140,163	-
Balance at 31 October 2020	1,004,955	2,049,881	3,054,836

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2020

	Notes	£	2020 £	£	2019 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	14		319,416		(96,582)
Income taxes paid			(4,457)		(1,141)
Net cash inflow/(outflow) from operating activities			314,959		(97,723)
Investing activities					
Purchase of tangible fixed assets		(122,147)		(97,671)	
Proceeds on disposal of tangible fixed assets		23,600		18,824	
Purchase of fixed asset investments		(4,426)		(110,817)	
Proceeds on disposal of fixed asset investments		30,888		131,257	
Interest received		4,529		5,341	
Dividends received		50,237		84,420	
Net cash (used in)/generated from investing activities			(17,319)		31,354
Net increase/(decrease) in cash and cash equivalents			297,640		(66,369)
Cash and cash equivalents at beginning of year			628,807		695,176
Cash and cash equivalents at end of year			926,447		628,807

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. The directors have considered the impact COVID-19 has had on their operations and based on their forecasts for the next 12 months do not believe it will have a material impact on going concern. 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 and 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 long-term 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.

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.

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 statement of comprehensive income 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 surplus/(deficit)

	2020	2019
	£	£
Operating surplus/(deficit) for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	10,815	10,500
Fees payable to the company's auditor for taxation compliance services	2,420	2,350

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 42 (2019 – 41).

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	1,589,752	1,534,016
Social security costs	157,921	153,397
Pension costs	140,150	134,373
	1,887,823	1,821,786

4 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on surplus for the current period	849	4,457
Adjustments in respect of prior periods	-	(817)
Total current tax	849	3,640
Deferred tax		
Origination and reversal of timing differences	1,130	(283)
Changes in tax rates	16,763	-
On unrealised gains or losses on investments	(49,948)	16,319
Total deferred tax	(32,055)	16,036
Total tax charge	(31,206)	19,676

Current taxation arises on realised gains or losses from investments.

Deferred taxation relates to unrealised gains or losses on investments.

5 Tangible fixed assets

	£
Cost	
At 1 November 2019	384,512
Additions	122,147
Disposals	(40,450)
At 31 October 2020	466,209
Depreciation and impairment	
At 1 November 2019	194,963
Depreciation charged in the year	62,616
Eliminated in respect of disposals	(14,548)
At 31 October 2020	243,031
Carrying amount	
At 31 October 2020	223,178
At 31 October 2019	189,549

6 Investment property

	2020
	£
Fair value	
At 1 November 2019 and 31 October 2020	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 carried out their own assessment for the other two properties based on available market information. The directors are of the opinion that the valuation remains appropriate.

7 Fixed asset investments

	2020	2019
	£	£
Investments	2,203,297	2,516,034

The historic cost of unlisted investments amounts to £222,287 (2019: £222,287). The historic cost of listed investments amounts to £1,047,933 (2019: £1,102,323).

Movements in fixed asset investment

	Unlisted investments	Listed investments	Total
	£	£	£
Cost or valuation			
At 1 November 2019	598,485	1,917,549	2,516,034
Additions	-	4,426	4,426
Valuation changes	(64,494)	(198,393)	(262,887)
Disposals	-	(54,276)	(54,276)
At 31 October 2020	533,991	1,669,306	2,203,297
Carrying amount			
At 31 October 2020	533,991	1,669,306	2,203,297
At 31 October 2019	598,485	1,917,549	2,516,034

8 Associates

Details of the company's associates at 31 October 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Scottish Agricultural & Rural Development Centre Limited (29 February 2020 year end)	Rural Centre West Mains Ingliston EH28 8LT	Management of office property occupied by organisations mainly operating in the Agricultural and Rural sector	Ordinary	43

9 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	19,332	58,572
Other debtors	83,536	82,569
	102,868	141,141

10 Creditors: amounts falling due within one year

	2020	2019
Trade creditors	89,858	67,013
Corporation tax	848	4,456
Other taxation and social security	70,451	62,218
Other creditors	599,364	610,311
	760,521	743,998

11 Provisions for liabilities

	2020 £	2019 £
Deferred tax liabilities	110,433	142,488
	110,433	142,488

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

12 Revaluation reserve

	2020 £	2019 £
At the beginning of the year	1,148,722	1,160,047
Other movements	(143,767)	(11,325)
At the end of the year	1,004,955	1,148,722

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 Rupert Shaw and Scott Walker are also directors and in which the company has a 43% interest.

- Purchases £101,460 (2019: £110,739)
- Sales £88,929 (2019: £94,606)
- Included in debtors is £800 (2019: £17,678)
- Included in creditors is £1,185 (2019: £4,742)

The company paid rent and service charges to the Scottish Agricultural & Rural Development Centre Limited in the year amounting to £81,514 (2019: £85,135).

14 Cash generated from operations

	2020 £	2019 £
(Deficit)/surplus for the year after tax	(4,209)	90,820
Adjustments for:		
Taxation (credited)/charged	(31,206)	19,676
Investment income	(54,766)	(89,761)
Loss/(gain) on disposal of tangible fixed assets	2,302	(7,887)
Loss on disposal of investments	23,388	11,515
Depreciation and impairment of tangible fixed assets	62,616	61,427
Fair value losses and (gains) on investments	262,887	(141,407)
Movements in working capital:		
Decrease/(increase) in debtors	38,273	(49,814)
(Decrease)/increase in creditors	20,131	8,849
Cash generated from/(absorbed by) operations	319,416	(96,582)

15 Analysis of changes in net funds

	1 November 2019 £	Cash flows £	31 October 2020 £
Cash at bank and in hand	628,807	297,640	926,447



NFU Scotland
Management information

**For the year ended
31 October 2020**

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2020**

	2020	2019
	£	£
Turnover		
Subscriptions	2,290,963	2,260,390
Donation from NFU Mutual	586,000	570,000
Sponsorship and services	58,000	62,583
Other income	175,957	152,524
Sales of services	13,610	-
	3,124,530	3,045,497
Other operating income		
Rent receivable	8,633	11,333
Government grants receivable and released	49,167	37,500
	57,800	48,833
Administrative expenses	(2,986,236)	(3,203,487)
Operating surplus/(deficit)	196,094	(109,157)
Investment revenues		
Bank interest	4,529	5,341
Investment income	50,237	84,420
	54,766	89,761
Other gains and losses		
Unrealised fair value movements in investments	(262,887)	141,407
Fair value gains and losses on investments	(23,388)	(11,515)
(Deficit)/surplus before taxation	(35,415)	110,496

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 OCTOBER 2020

	2020	2019
	£	£
Administrative expenses		
Wages and salaries	1,315,393	1,249,576
Social security costs	157,921	153,397
Staff training	38,335	41,230
Staff pension costs defined contribution	140,150	134,373
Directors' remuneration	274,359	284,440
Expenses and representation	244,401	348,479
Commission and incentives	154,724	170,614
Property costs	4,422	5,969
Administration costs	339,464	356,376
Audit fees	13,660	12,850
Bank charges	10,981	12,691
Branch costs and regional support	133,250	217,682
Promotional costs	94,258	162,270
Depreciation	62,616	61,427
(Profit) or loss on sale of tangible assets and investments	2,302	(7,887)
	2,986,236	3,203,487

Group 1: Centrally Held, Centrally Controlled

Name	Market Value £	Bank £	2020 Total £	2019 Total £
NFUS Head Office Consolidated Fund	1,300,893	62,203	1,363,096	1,547,627

Group 2: Centrally Held, Local and Central Control

	Market Value £	Bank £	2020 Total £	2019 Total £
Arran	4,834	581	5,415	5,981
Balfron & Menteith (B)	2,456	295	2,751	2,935
Banff	43,511	3,183	46,694	54,467
Black Isle & Mid Ross	4,596	552	5,148	5,494
Caithness	21,624	2,599	24,223	25,848
Easter Ross	7,441	894	8,335	8,894
Fife & Kinross	1,236	149	1,385	1,478
Kintyre	3,959	476	4,435	4,732
Lanark	33,364	4,010	37,374	39,881
Lochaber (B)	496	60	556	593
Lothians	6,554	788	7,342	7,834
Mid Argyll	3,305	397	3,702	3,950
Moray, Nairn, Strathspey and Speyside	4,710	566	5,276	5,630
North Argyll	3,394	408	3,802	4,056
Borders	13,225	1,590	14,815	15,808
Mid and East Berwick	10,558	1,269	11,827	12,621
Total	165,263	17,817	183,080	200,202

Group 3: Investments and Bank Accounts Held Locally and Administered by Local Committee

	Market Value £	Bank £	2020 Total £	2019 Total £
Angus	89,245	75	89,320	94,382
Ayr	69,014	7,350	76,364	81,607
Bute	-	2,184	2,184	2,184
Dumfries	36,891	23,465	60,356	62,151
Forth Valley	-	1,998	1,998	1,998
Islay and Jura	-	1,134	1,134	1,134
Orkney (shares at cost)	8,000	78,401	86,401	82,008
Wigtownshire	-	3,364	3,364	3,357
Total	203,150	117,971	321,121	328,821
Grand total	1,669,306	197,991	1,867,297	2,076,650

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

