

Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:	The National Farmers' Union		
Year ended:	31 October 2022		
List No:	245E		
Head or Main Office:	Agriculture House		
	Stoneleigh Park		
	Warwickshire		
Postcode	CV8 2TZ		
Website address (if available)	www.nfuonline.com		
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:	Ken Sutherland		
Contact name for queries regarding the completion of this return:	Tamsin Richards		
Telephone Number:	02476 858500		
E-mail:	tamsin.richards@nfu.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

Contents

Employers' Association's details.....	1
Return of members.....	2
Change of officers.....	2
Officers in post.....	2a
Revenue Account/General Fund.....	3
Accounts other than the revenue account/general fund.....	4-6
Balance sheet.....	7
Fixed Assets Account.....	8
Analysis of investments.....	9
Analysis of investments income (Controlling interests).....	10
Summary sheet.....	11
Summary Sheet (Only for Incorporated Bodies).....	11a
Notes to the accounts.....	12
Accounting policies.....	13
Signatures to the annual return.....	13
Checklist.....	13
Checklist for auditor's report.....	14
Auditor's report (continued).....	15
Guidance on completion.....	16

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
76,050				76,050

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
Deputy President	Stuart Roberts	Thomas Bradshaw	23 February 2022
Vice President	Thomas Bradshaw	David Exwood	23 February 2022
NFU Cymru President	John Davies	Aled Jones	09 February 2022

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
Minette Batters	President
Tom Bradshaw	Deputy President
David Exwood	Vice President
Aled Jones	Predisent of NFU Cymru
Terry Jones	Director General
Matt Culley	Member of the Governance Board
Michael Sly	Member of the Governance Board
Michael Oakes	Member of the Governance Board
Mark Weekes	Member of the Governance Board
Anthony Bambridge	Member of the Governance Board
Ken Sutherland	Secretary

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
34,280,540	From Members	Subscriptions, levies, etc	34,385,634	34,385,634
32,045	Investment income	Interest and dividends (gross)		
		Bank interest (gross)	36,977	36,977
		Other (specify)		
2,372,770		Dividends and other investment income	1,405,616	1,405,616
		Total Investment Income	1,442,593	1,442,593
2,366,080	Other Income	Rents received	2,492,713	2,492,713
		Insurance commission		
		Consultancy fees		
		Publications/Seminars		
		Miscellaneous receipts (specify)		
1,471,549		Actuarial gain on PMI scheme	1,966,140	1,966,140
		Actuarial gain on DB pension scheme		
		Profit from the sale of fixed assets	88,372	88,372
		Total of other income		4,547,225
		Total income		40,375,452
		Interfund Transfers IN		4,078,066
	Expenditure			
22,997,468	Administrative expenses	Remuneration and expenses of staff	25,433,478	25,433,478
5,243,032		Occupancy costs	3,546,667	3,546,667
182,143		Printing, Stationery, Post	185,338	185,338
300,648		Telephones	255,389	255,389
1,243,656		Legal and Professional fees	1,391,230	1,391,230
		Miscellaneous (specify)		
38,467		Investment property rental costs	106,090	106,090
379,886		Investment management fees	392,015	392,015
2,852,589		Cost of sales	2,587,973	2,587,973
231,307		Other expenses	339,068	339,068
		Total of Admin expenses		34,237,248
1,403,133	Other Charges	Bank charges	1,335,985	1,335,985
		Depreciation		
		Sums written off		
		Affiliation fees		
		Donations		
		Conference and meeting fees		
1,183,269		Expenses	1,362,460	1,362,460
		Miscellaneous (specify)		
2,275,816		Members' representation	3,501,886	3,501,886
1,338,421		Grants - Legal assistance scheme	439,720	439,720
45,407		Finance costs	87,280	87,280
4,195,090		Actuarial loss on DB pension scheme		
		Total of other charges		6,727,331
7,412,544		Taxation	-5,806,923	-5,806,923
		Total expenditure		35,157,656
		Interfund Transfers OUT		
		Surplus/Deficit for year		5,217,796
		Amount of fund at beginning of year		63,414,233
		Amount of fund at end of year		72,710,095

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 2		Fund Account	
Name of account:	Revaluation reserve - listed investments	£	£
Income			
	From members		
	Investment income		
	Other Income (specify)		
	Fair value gains on revaluation of listed investments		
		Total Income	
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
	Fair value losses on revaluation of listed investments	17,580,708	
		17,580,708	17,580,708
		Total Expenditure	17,580,708
	Interfund Transfers OUT		4,078,066
		Surplus (Deficit) for the year	-17,580,708
		Amount of fund at beginning of year	41,169,016
		Amount of fund at the end of year (as Balance Sheet)	19,510,242

Account 3		Fund Account	
Name of account:	Revaluation reserve - investment property	£	£
Income			
	From members		
	Investment income		
	Other income (specify)		
		Total Income	
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
	Fair value losses on revaluation of investment property	3,062,100	
		3,062,100	3,062,100
		Total Expenditure	3,062,100
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	-3,062,100
		Amount of fund at beginning of year	35,571,268
		Amount of fund at the end of year (as Balance Sheet)	32,509,168

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 2022]

(see notes 19 and 20)

Previous Year		£	£
15,381,411	Fixed Assets (as at Page 8)	14,916,777	14,916,777
98,657,000	Investments (as per analysis on page 9)		
	Quoted (Market value £) as at Page 9		80,800,200
	Unquoted (Market value £) as at Page 9		
	Total Investments	80,800,200	80,800,200
	Other Assets		
4,606,723	Sundry debtors	4,699,098	4,699,098
5,180,598	Cash at bank and in hand	3,545,745	3,545,745
	Stocks of goods		
	Others (specify)		
54,855,404	Investment property	51,793,304	
835,641	Goodwill	247,872	
33,910	Intangible assets	20,489	
	Total of other assets	60,306,508	60,306,508
	Total Assets		156,023,485
63,414,233	Revenue Account/ General Fund	72,710,095	
41,169,016	Revaluation reserve - listed investments	19,510,242	
35,571,268	Revaluation reserve - investment property	32,509,168	
	Revaluation Reserve		
	Liabilities		
5,524,728	Retirement benefit obligations	3,453,357	
	Bank overdraft		
1,267,713	Tax payable	1,278,210	
1,763,292	Sundry creditors	2,260,150	
4,214,764	Accrued expenses	4,335,946	
3,550,656	Deferred income	3,566,185	
23,075,017	Provisions	16,400,132	
	Total Liabilities		31,293,980
	Total Assets		156,023,485

Fixed Assets account

(see note 21)

	Land and Buildings £	Fixtures & Fittings £	Motor Vehicles & Equipment £	Total £
Cost or Valuation				
At start of period	19,229,771		4,092,715	23,322,486
Additions during period	6,950		530,554	537,504
Less: Disposals	-73,758		-6,612	-80,370
Less: Depreciation	-5,011,948		-3,850,895	-8,862,843
Total to end of period	14,151,015		765,762	14,916,777
Book Amount at end of period	14,151,015		765,762	14,916,777
Freehold	3,806,296			3,806,296
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)	10,344,719			10,344,719
Total of Fixed Assets	14,151,015		765,762	14,916,777

Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	Listed investments	80,800,200
	Total Quoted (as Balance Sheet)	80,800,200
	Market Value of Quoted Investments	
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
	Total Unquoted (as Balance Sheet)	
	Market Value of Unquoted Investments	

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

Analysis of investment income (Controlling interests)

(see note 23)

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

Yes	X	No	
-----	----------	----	--

If Yes name the relevant companies:

Company name	Company registration number (if not registered in England & Wales, state where registered)
NFU Services Limited	03687910
NFU Energy Limited	04056474
NFU Enzero Limited	12753449
FEC Energy Limited	11780105
C T Planning Limited	04110624
NFU Commercial Holdings Limited	14244967

Incorporated Employers' Associations

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

Yes		No	
-----	--	----	--

If NO, please state the names of the persons in whom the shares controlled by the association are registered.

Company name	Names of shareholders

Unincorporated Employers' Associations

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

Yes		No	X
-----	--	----	----------

If NO, state the names of the persons in whom the shares controlled by the association are registered.

Company name	Names of shareholders
NFU Services Limited	NFU Commercial Holdings Limited
NFU Energy Limited	NFU Commercial Holdings Limited
NFU Enzero Limited	NFU Commercial Holdings Limited
FEC Energy Limited	NFU Commercial Holdings Limited
C T Planning Limited	NFU Commercial Holdings Limited
NFU Commercial Holdings Limited	National Farmers Union Trust Company Limited

Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
	£	£
Income		
From Members	34,385,634	34,385,634
From Investments	1,442,593	1,442,593
Other Income (including increases by revaluation of assets)	4,547,225	4,547,225
Total Income	40,375,452	40,375,452
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	55,800,464	55,800,464
Funds at beginning of year (including reserves)	140,154,517	140,154,517
Funds at end of year (including reserves)	124,729,505	124,729,505
ASSETS		
Fixed Assets		14,916,777
Investment Assets		80,800,200
Other Assets		60,306,508
Total Assets		156,023,485
Liabilities		
Total Liabilities		31,293,980
Net Assets (Total Assets less Total Liabilities)		124,729,505

Summary Sheet

(see notes 24 to 33)

		All Funds	Total Funds
		£	£
Income			
From Members			
From Investments			
Other Income (including increases by revaluation of assets)			
	Total Income		
Expenditure (including decreases by revaluation of assets)			
	Total Expenditure		
Funds at beginning of year (including reserves)			
Funds at end of year (including reserves)			
ASSETS			
	Fixed Assets		
	Investment Assets		
	Other Assets		
	Total Assets		
Liabilities			
	Total Liabilities		
Net Assets (Total Assets less Total Liabilities)			

Notes to the accounts

(see note 34)

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

Please refer to the attached Financial Statements for the year ended 31 October 2022.

Accounting policies

(see notes 35 & 36)


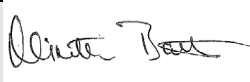
Please refer to the attached Financial Statements for the year ended 31 October 2022. Accounting policies are provided in Note 2 to the financial statements.

Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Please copy and paste your electronic signature here

Secretary's Signature:		Chairman's Signature:	
			(or other official whose position should be stated)
Name:	Ken Sutherland	Name:	Minette Batters
Date:	1.3.2023	Date:	1.3.2023

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	X	No	
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)

Please refer to the attached Financial Statements for the year ended 31 October 2022.

The audit report to the members of the NFU is provided on pages 7 to 9.

Signature(s) of auditor or auditors:		
Name(s):	Nicholas Farrant	
	PKF Francis Clark	
Profession(s) or Calling(s):	Statutory auditor	
Address(es)	Ground floor Blackbrook Gate 1 Blackbrook Business Park Taunton Somerset TA1 2PX	
Date:	1.3.2023	
Contact name for enquiries and telephone number:	Nicholas Farrant 01823 275925	

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

THE NATIONAL FARMERS' UNION

FINANCIAL STATEMENTS

31 OCTOBER 2022

THE NATIONAL FARMERS' UNION

CONTENTS

	Page
Officers and professional advisers	1
Financial report	2
Statement of officers' responsibilities	6
Independent auditor's report	7
Consolidated statement of comprehensive income	10
Consolidated balance sheet	12
NFU balance sheet	13
Consolidated statement of changes in reserves	14
NFU statement of changes in reserves	15
Consolidated cash flow statement	16
NFU cash flow statement	17
Notes to the consolidated accounts	18

THE NATIONAL FARMERS' UNION

OFFICERS AND PROFESSIONAL ADVISERS

OFFICERS

M B Batters	President
T W Bradshaw	Deputy President
D J Exwood	Vice President
A R Jones	President of NFU Cymru

NFU GOVERNANCE BOARD

M B Batters	President
T W Bradshaw	Deputy President
D J Exwood	Vice President
A R Jones	President of NFU Cymru
T J Jones	Director General
M J Cully	Chair, Combinable Crops
M H S Sly	Chair, Sugar
M A Oakes	Chair, Dairy
M J Weekes	Chair, South West Region
A W J Bambridge	Chair, East Anglia Region

NFU POLICY BOARD

M B Batters	President
T W Bradshaw	Deputy President
D J Exwood	Vice President
A R Jones	President of NFU Cymru
T J Jones	Director General
M H S Sly	Chair, Sugar
R G Findlay	Chair, Livestock
M J Cully	Chair, Combinable Crops
M A Oakes	Chair, Dairy
J Mottershead	Chair, Poultry
G T R Mutimer	National Pig Association
M Emmett	Chair, Horticulture & Potatoes
H A J Clark	Director, Policy

SECRETARY OF THE NFU

K Sutherland MA, FCA

BANKERS

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

AUDITOR

PKF Francis Clark
Ground Floor
Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

REGISTERED OFFICE

Agriculture House
Stoneleigh Park
Warwickshire
CV8 2TZ
Tel 024 7685 8500
Email: nfu@nfu.org.uk

THE NATIONAL FARMERS' UNION

FINANCIAL REPORT

The officers present their annual report on the affairs of the NFU, together with the accounts for the year ended 31 October 2022.

This has been a challenging year. The war in Ukraine, high inflation, contraction in agriculture and horticulture and political uncertainty made for a difficult operating environment for our members and for the NFU. The NFU's financial performance for ordinary activities has nonetheless been better than budgeted this year with costs below budget and income largely in line with expectations.

Our investments have also been significantly affected by these underlying factors although remain ahead of target over the longer term. Despite the falls in investment values over the last year our balance sheet remains strong.

Consolidated balance sheet reserves have decreased by £15.4 million to £124.7 million (2021: £140.2 million).

Principal Activities

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

Business Review

Consolidated results have been produced for the year. These results include the NFU General Fund, the NFU Legal Fund, and the NFU's subsidiary companies. In November 2022, subsequent to the financial year end, the trading subsidiaries were reorganised to give more focus on working together for future growth and simplifying corporate governance to enhance the ability to make commercial decisions in a rapidly changing economic environment. NFU Commercial Holdings Limited, a newly incorporated wholly owned intermediary holding company subsidiary, received the transfer of 100% of the share capital of NFU Services Limited, NFU Energy Limited and CT Planning Limited. NFU EnZero Limited ceased trading in October 2022, having passed its operation over to NFU Energy.

During the year, the NFU Group showed an operating deficit of £5,357,778 (2021: £4,340,543 deficit) on consolidation. With the surplus on investment activities, this resulted in the audited accounts showing a deficit on ordinary activities before fair value movements and taxation of £2,555,267 (2021: £663,807 deficit) for the year.

The total comprehensive expenditure for the year is £15.4 million (2021: £4.2 million income). This year-on-year variance is primarily due to losses on listed investments as described below.

Members' subscriptions and related income has increased by £0.19 million to £34.4 million (2021: £34.3 million). Within this, the actual subscription income has remained constant at £19 million. As at 31 October 2022, NFU core membership stood at 51,764 (2021: 52,474).

Income also included contributions from the NFU Mutual of £6.8 million (2021: £6.5 million). The NFU's long standing relationship with the NFU Mutual remains extremely important to us and we place immense value on their support.

Total operating costs have increased to £39.7 million (2021: £38.6 million), with increased staff costs and some areas returning to closer to their pre-pandemic levels. This was partly offset by a fall in LAS grants to members and a reduction in COVID related property costs.

Investments and Property

The value of our listed investments has decreased over the year to £80.8 million (2021: £98.7 million), which underperformed our benchmark over the year. The fair value loss for the year of £17.6 million (2021: £15.6 million gain) is reflected in the Statement of Comprehensive Income.

Dividends and other investment income amounted to £1.4 million (2021: £2.4 million) due to a previous planned change in investment strategy, which saw a focus on long term total return rather than short term income. Rental income from our investment properties continued to perform strongly in the year at £2.5 million (2021: £2.4 million).

THE NATIONAL FARMERS' UNION

FINANCIAL REPORT (continued)

Our Knightsbridge investment properties have decreased in value by £3 million to £49.8 million (2021: £52.8 million). These were valued by Hutchinson Morrison Childs as at 31 October 2022 apart from 1 & 2 Old Barrack Yard, which was valued by Chesterton. Number 25 Knightsbridge is let in its entirety to Emirates National Bank of Dubai PJSC on a twenty-year lease.

The West End Investment market has suffered the consequences of higher inflation and increases in interest rates and in late September 2022 the market came to a virtual standstill. There is now evidence of renewed activity, but confidence has been weakened and with little evidence of property sales being completed post the mini budget, it has become challenging to judge exactly where values lie. It is likely that values will weaken further as the interest rates continue their upward trend and the effects of recession bite. There is however increasing divergence between very best properties and the rest, which should give us more confidence. Our Knightsbridge properties remain a prestigious location and address.

The NFU also holds operational properties in order to fulfil its commercial and representational needs.

Post-retirement benefits

The defined benefit pension scheme valuation, which is accounted for in accordance with FRS 102, is disclosed in detail in note 12 to the accounts.

At the Review Date there was a surplus in the NFU Staff Pension Scheme of £11.5 million. This compares to a surplus of £9.0 million at the previous review date. The improvement in the position over the year is primarily due to the rise in corporate bond yields and the fall in long term inflation expectations which has led to a lower value being placed on the Scheme's liabilities. This has been offset to some extent by lower than expected investment returns and making an allowance for actual inflation experience.

The NFU is only allowed to recognise this asset in its balance sheet if it can use the surplus to generate a future economic benefit for itself. We have therefore assumed that the surplus cannot be recognised on the balance sheet and applied an asset ceiling restricting the surplus to £0 (2021: £0).

During the year the Private Medical Insurance Scheme ("PMI") provision fell to £3.5 million (2021: £5.5 million). The main reasons for this are that the changes in the financial and demographic assumptions used have reduced the value placed on the liabilities, particularly the material increase in the discount rate. The average actual premium inflation, in excess of age related increases, was lower than the 11% per annum assumed (comparing the rates assumed for last year's disclosures with the premium rates for the renewal including any age-related increases over the 12 months). The PMI provision is also disclosed in detail in note 13.

Risk Management

The NFU has coped well with the COVID-19 pandemic and lockdowns. Staff have now returned to our offices and we have completed a trial of hybrid working. The health and safety of our members and staff remains our top priority and we will continue to monitor any developments through our business continuity group.

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

The principal risks to the NFU are to its income, which is largely made up from subscriptions from farmer and grower members and contributions from the NFU Mutual. Amongst our biggest risks are changes to farm incomes. Shortages of labour, combined with unprecedented agricultural cost inflation, including fertiliser and energy, mean that the short-term future for many farm businesses can look uncertain.

The NFU's property and investment portfolio is well diversified between real estate and listed investments. The risk to property income has been mitigated by having a blue-chip tenant on a long-term lease at 25 Knightsbridge. Our investment portfolio is split between three fund managers with very different styles and asset allocations.

THE NATIONAL FARMERS' UNION

FINANCIAL REPORT

Energy and Carbon Reporting

The NFU has decided to report its carbon emissions voluntarily to demonstrate its commitment to carbon reduction. The following information summarises the NFU's energy and carbon emissions in the reporting year. Across nearly all metrics the energy consumption and the carbon intensity has risen in this SECR reporting period as expected. Whilst 2020/21 was a challenging period for the organisation in maintaining business operations throughout Covid-19, the work from home orders and the minimal travel conducted helped to depress energy consumptions. Conversely in 2021/22 both the return to more normal methods of working and the requirement to 'catch-up' on activity that was unable to be conducted in 2020/21 means a significant increase in overall usage and emissions, travel has more than doubled, and greater office occupancy accounts for the increased electricity consumption.

Although offices were partly closed during 2020-21, heating energy consumption shows a modest decrease, attributable to the milder autumn in 2022 and the requirement to keep costs low as energy prices increased.

Methodology

Greenhouse Gas emissions are quantified and reported according to the Greenhouse Gas Protocol. Energy consumption data has been collated and converted into CO₂ equivalent using UK Government GHG Conversion Factors for Company Reporting 2022, published annually by DBEIS to facilitate calculation of greenhouse gas emissions from corresponding activities.

Acting on instructions to carry out the assessment, NFU Energy Limited reviewed the utility invoices and mileage in all vehicles on NFU business. This information has been prepared in accordance with the GHG Protocol's Scope 2 Guidance on both location-based and market-based Scope 2 emissions figures. Data collected relates to the reporting year, with estimation where actual data was not available.

Intensity Ratio

Calculating emissions intensity using membership numbers, is considered to best represent the scale of the business.

Reporting boundaries and limitations

The GHG sources that constitute our operational boundary for the reporting period are:

- Scope 1, representing direct emissions of CO₂ released at the point of consumption
- Scope 2, representing indirect emissions of CO₂ from imported energy

NFU are not required to report Scope 3 emissions, representing indirect emissions from transport, products used and their associated emissions, or from other sources.

Assumptions and estimations

Various assumptions have been made in the calculations:

- Where billing data or meter readings are incomplete, these months' consumptions are estimated from prior months or similarly representative consumption periods.
- Petersfield office has a separate metered electricity supply to the communal areas. Billing arrangements assume that the two building users are each responsible for 50% of this consumption.
- Penrith, Telford, and Thame electrical supplies have been estimated based on the previous year's data, or from similar sized offices.
- Exeter Solar meter reads have not been able to be provided this financial year, so estimated generation has been calculated based on a 20 kW system at the site, delivering 900 kWh/kW installed.
- Oil storage tanks are maintained at similar levels – this assumption allows delivered volume to equate to consumption, which in actual fact will not always be the case. Only the installation of flow meters or recording of tank levels at start of Financial Year, would obviate this assumption.
- Official vehicle emissions data, in gCO₂/km, has been uplifted by the industry's recommended figure (varies per year of vehicle manufacture), to represent real-world conditions as opposed to lab conditions.

THE NATIONAL FARMERS' UNION

FINANCIAL REPORT (continued)

- In the case of hybrid electric vehicles, the published CO₂ emissions factor necessarily assumes a certain proportion of operation in electric and fuel modes. We are unable to improve on this with actual data based on the style of usage.

Energy Consumption and CO₂ Emissions

NFU's largest single source of energy is grid imported electricity, followed by road fuels, heating oils and natural gas. Energy usage and carbon emissions are shown in Table 1.

	Energy Type	2022 Energy kWh	2022 Emissions tCO ₂ e	2021 Energy kWh	2021 Emissions tCO ₂ e	Change in Emissions
Scope 1 Direct	Natural Gas	431,306	78.7	497,063	91.0	Decreased
	Heating Oils	546,631	135.5	511,147	126.8	Increased
	Road Fuels	763,474	186.8	363,438	85.2	Increased
Scope 2 Indirect	Electricity (Grid Import)	873,239	185.4	732,831	155.6	Increased
	Electricity (Solar Gen)	58,054	0.0	32,624	0.0	N/A
	Total	2,672,703	586.4	2,137,102	458.8	Increased
	Intensity Ratio Metric	2022 Value	2022 Intensity Ratio kgCO ₂ e/member	2021 Value	2021 Intensity Ratio kgCO ₂ e/member	Change in value
	Membership numbers	51,764	11.33	52,474	8.74	Increased

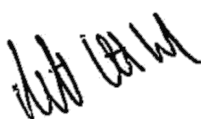
Table 1: Energy Consumption and CO₂ Emissions

Energy Efficiency Improvements

During the reporting year, the NFU has implemented the following energy efficiency improvements:

- Some sites have been fitted with smart meters to allow for more accurate data collection, however not all sites have been upgraded yet.
- A greater number of hybrid cars have been brought into the company car, private car, and hire car choices, which has reduced diesel and petrol consumption despite the number of km travelled increasing.
- Increasing energy costs towards the latter part of the financial year have resulted in consequent concentration on means of reducing consumption.

Additionally, whilst not a direct energy saving measure, the NFU has developed a Net Zero strategy to align the organisation with its aspirations for Agriculture to achieve Net Zero status. This strategy was a direct result of the ESOS and SECR work carried out in prior years and heavily draws from the data provided by, and reported in, both schemes.



K Sutherland
Secretary

THE NATIONAL FARMERS' UNION

STATEMENT OF OFFICERS' RESPONSIBILITIES

The officers of the NFU acknowledge their responsibilities for preparing the Financial Report and the financial statements in accordance with applicable law and regulations.

The National Farmers' Union is an unincorporated employers' association registered under the Trade Union and Labour Relations (Consolidation) Act 1992. In accordance with that Act, the officers have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The officers of the NFU are required by the Act to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the NFU and of the income and expenditure of the NFU for that period. In preparing those accounts, the officers are required to:

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

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

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

Opinion

We have audited the financial statements of the National Farmers' Union (NFU) for the year ended 31 October 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and NFU Balance Sheet, the Consolidated and NFU Statement of Changes in Reserves, the Consolidated and NFU Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and NFU's affairs as at 31 October 2022 and of the Group's income and expenditure 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 Trade Union and Labour Relations (Consolidated) Act 1992.

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 NFU 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

In auditing the financial statements, we have concluded that the officers' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the NFU's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issued.

Our responsibilities and the responsibilities of the officers with respect to going concern are described in the relevant sections of this report.

Other information

The officers 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

- proper accounting records have not been kept in accordance with the requirements of section 28 of the Act; or
- a satisfactory system of control over transactions has not been maintained in accordance with the requirements of that Section; or
- the accounts to which the report relates do not agree with the accounting records.

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

Responsibilities of officers

As explained more fully in the Statement of Officers' Responsibilities set out on page 6, the officers 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 officers are responsible for assessing the NFU'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 officers either intend to liquidate the NFU 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the NFU. We gained an understanding of the industry in which the NFU operates as part of this assessment to identify the key laws and regulations affecting the NFU. As part of this, we reviewed the NFU's website for indication of any regulations and certification in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were tax legislation, employment law and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Trade Union and Labour Relations (Consolidation) Act 1992.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the NFU's ability to continue operating and the risk of material misstatement to the accounts. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Reviewing the NFU's GDPR policy and enquiries of the group's compliance officer as to the occurrence and outcome of any reportable breaches.
- Reviewing legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

As part of our enquiries, we discussed with management whether there had been any instances of known or alleged fraud, of which management confirmed there were none.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud and obtained an understanding of the controls in place to mitigate the risk of fraud. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. The key risks we identified were the reduction of tax liabilities and the overstatement of the financial position of the NFU for commercial purposes. Based upon our understanding we designed and conducted audit procedures including:

- Auditing the risk of fraud in revenue recognition, including sales cut-off and deferred income.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewing estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the NFU's members, as a body, in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the NFU's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the NFU and the NFU's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Nicholas Farrant BA MSc FCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Ground Floor
Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

Date: 8 February 2023

THE NATIONAL FARMERS' UNION

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 OCTOBER 2022**

	Note	£	2022 £	£	2021 £
MEMBERS' SUBSCRIPTION AND RELATED INCOME	4	34,385,634			34,280,540
OPERATING COSTS					
Cost of sales		2,587,973		2,852,589	
Members' representation	5	3,501,886		2,275,816	
Promotional activities	6	1,362,460		1,183,269	
Staff costs	7	25,433,478		22,997,468	
Legal assistance scheme	8	439,720		1,338,421	
Administrative costs	9	2,171,025		1,957,754	
Establishment costs	10	4,246,870		6,015,766	
			(39,743,412)		(38,621,083)
OPERATING DEFICIT			(5,357,778)		(4,340,543)
INVESTMENT ACTIVITIES					
Investment property rental income		2,492,713		2,366,080	
Investment property rental costs		(106,090)		(38,467)	
Interest on term deposits		36,977		32,045	
Dividends and other investment income		1,405,616		2,372,770	
Investment management costs		(392,015)		(379,886)	
Amortisation of goodwill		(547,410)		(630,399)	
SURPLUS ON INVESTMENT ACTIVITIES			2,889,791		3,722,143
INTEREST					
Interest payable		(46)		(101)	
Notional finance costs of defined benefit pension and private medical insurance schemes	12	(87,234)		(45,306)	
			(87,280)		(45,407)
DEFICIT ON ORDINARY ACTIVITIES BEFORE FAIR VALUE MOVEMENTS AND TAXATION (carried forward)			(2,555,267)		(663,807)

THE NATIONAL FARMERS' UNION

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
YEAR ENDED 31 OCTOBER 2022**

	Note	£	2022 £	£	2021 £
DEFICIT ON ORDINARY ACTIVITIES BEFORE FAIR VALUE MOVEMENTS AND TAXATION (brought forward)			(2,555,267)		(663,807)
FAIR VALUE MOVEMENTS					
Fair value losses on revaluation of investment property	17	(3,062,100)		(600,000)	
Fair value (losses)/gains on revaluation of listed investments	17	(17,580,708)		15,588,109	
			<u>(20,642,808)</u>	<u>14,988,109</u>	
(DEFICIT) / SURPLUS ON ORDINARY ACTIVITIES AFTER FAIR VALUE MOVEMENTS AND BEFORE TAXATION			(23,198,075)		14,324,302
Taxation	14		5,806,923		(7,412,544)
(DEFICIT) / SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION			(17,391,152)		6,911,758
OTHER COMPREHENSIVE INCOME					
Private Medical Insurance Scheme:					
Actuarial gain	12		1,966,140		1,471,549
Current tax on actuarial gain			-		-
Defined benefit pension scheme:					
Actuarial (loss)/gain	12		-		(4,195,090)
Deferred tax on actuarial (loss)/gain			-		-
			<u>1,966,140</u>	<u>(2,723,541)</u>	
TOTAL COMPREHENSIVE (EXPENDITURE) / INCOME FOR THE YEAR			(15,425,012)		4,188,217

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

THE NATIONAL FARMERS' UNION

**CONSOLIDATED BALANCE SHEET
31 OCTOBER 2022**

	Note	2022 £	2021 £
FIXED ASSETS			
Intangible assets	15	268,361	869,551
Tangible fixed assets	16	14,916,777	15,381,411
Investments			
Property	17	51,793,304	54,855,404
Other	17	80,800,200	98,657,000
		<u>147,778,642</u>	<u>169,763,366</u>
CURRENT ASSETS			
Debtors	18	4,699,098	4,606,723
Cash at bank and in hand	19	3,545,745	5,180,598
		<u>8,244,843</u>	<u>9,787,321</u>
CREDITORS: amounts falling due within one year	20	(7,874,306)	(7,245,769)
		<u>370,537</u>	<u>2,541,552</u>
NET CURRENT ASSETS/(LIABILITIES)			
		<u>148,149,179</u>	<u>172,304,918</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
DEFERRED INCOME	22	(3,566,185)	(3,550,656)
PROVISIONS FOR LIABILITIES	23	(16,400,132)	(23,075,017)
		<u>128,182,862</u>	<u>145,679,245</u>
NET ASSETS EXCLUDING RETIREMENT BENEFIT OBLIGATIONS			
RETIREMENT BENEFIT OBLIGATIONS	12	(3,453,357)	(5,524,728)
		<u>124,729,505</u>	<u>140,154,517</u>
NET ASSETS INCLUDING RETIREMENT BENEFIT OBLIGATIONS			
		<u>124,729,505</u>	<u>140,154,517</u>
RESERVES			
		<u>124,729,505</u>	<u>140,154,517</u>

The accounts on pages 10 to 47 were approved and authorised for issue by the Board of Officers on and are signed on its behalf by:



M B Batters
President



T J Jones
Director General

THE NATIONAL FARMERS' UNION

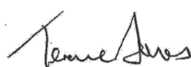
NFU BALANCE SHEET 31 OCTOBER 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible fixed assets	16	14,848,646	15,335,185
Investments			
Property	17	51,793,304	54,855,404
Other	17	81,550,200	99,407,000
		<u> </u>	<u> </u>
		148,192,150	169,597,589
CURRENT ASSETS			
Debtors	18	3,872,425	3,953,934
Cash at bank and in hand	19	2,254,193	3,711,703
		<u> </u>	<u> </u>
		6,126,618	7,665,637
CREDITORS: amounts falling due within one year	20	(8,669,079)	(7,684,748)
		<u> </u>	<u> </u>
NET CURRENT LIABILITIES		(2,542,461)	(19,111)
		<u> </u>	<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES		145,649,689	169,578,478
DEFERRED INCOME	22	(3,380,831)	(3,359,752)
PROVISIONS FOR LIABILITIES	23	(16,277,084)	(22,912,873)
		<u> </u>	<u> </u>
NET ASSETS EXCLUDING RETIREMENT BENEFIT OBLIGATIONS		125,991,774	143,305,853
RETIREMENT BENEFIT OBLIGATIONS	12	(3,453,357)	(5,524,728)
		<u> </u>	<u> </u>
NET ASSETS INCLUDING RETIREMENT BENEFIT OBLIGATIONS		122,538,417	137,781,125
		<u> </u>	<u> </u>
RESERVES		122,538,417	137,781,125
		<u> </u>	<u> </u>

The accounts on pages 10 to 47 were approved and authorised for issue by the Board of Officers on
and are signed on its behalf by:



M B Batters
President



T J Jones
Director General

THE NATIONAL FARMERS' UNION

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 31 OCTOBER 2022**

	Revaluation reserve - listed investments £	Revaluation reserve - investment property £	Accumulated fund £	Total reserves £
AT 31 OCTOBER 2020	32,706,942	36,171,268	67,088,090	135,966,300
Surplus/(deficit) for the year	15,588,109	(600,000)	(8,076,351)	6,911,758
Other comprehensive income:				
Private Medical Insurance Scheme:				
Actuarial gain	-	-	1,471,549	1,471,549
Current tax on actuarial gain	-	-	-	-
Defined benefit pension scheme:				
Actuarial loss	-	-	(4,195,090)	(4,195,090)
Deferred tax on actuarial loss	-	-	-	-
Transfer of realised gains on investments	(7,126,035)	-	7,126,035	-
	8,462,074	(600,000)	(3,673,857)	4,188,217
AT 31 OCTOBER 2021	41,169,016	35,571,268	63,414,233	140,154,517
Surplus/(deficit) for the year	(17,580,708)	(3,062,100)	3,251,656	(17,391,152)
Other comprehensive income:				
Private Medical Insurance Scheme:				
Actuarial gain	-	-	1,966,140	1,966,140
Current tax on actuarial gain	-	-	-	-
Defined benefit pension scheme:				
Actuarial loss	-	-	-	-
Deferred tax on actuarial loss	-	-	-	-
Transfer of realised gains on investments	(4,078,066)	-	4,078,066	-
	(21,658,774)	(3,062,100)	9,295,862	(15,425,012)
AT 31 OCTOBER 2022	19,510,242	32,509,168	72,710,095	124,729,505
NFU – General Fund	17,085,195	32,509,168	54,985,021	104,579,384
NFU – Legal Fund	2,425,047	-	10,481,871	12,906,918
NFU Services	-	-	5,924,034	5,924,034
NFU Energy	-	-	1,023,471	1,023,471
C T Planning	-	-	295,697	295,697
NFU Enzero	-	-	1	1
AT 31 OCTOBER 2022	19,510,242	32,509,168	72,710,095	124,729,505

A description of these reserves is provided in note 25.

THE NATIONAL FARMERS' UNION

**NFU STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 31 OCTOBER 2022**

	Revaluation reserve - listed investments £	Revaluation reserve - investment property £	Accumulated fund £	Total reserves £
AT 31 OCTOBER 2020	32,706,942	36,171,268	64,683,605	133,561,815
Surplus/(deficit) for the year	15,588,109	(600,000)	(8,045,258)	6,942,851
Other comprehensive income:				
Private Medical Insurance Scheme:				
Actuarial gain	-	-	1,471,549	1,471,549
Current tax on actuarial gain	-	-	-	-
Defined benefit pension scheme:				
Actuarial loss	-	-	(4,195,090)	(4,195,090)
Deferred tax on actuarial loss	-	-	-	-
Transfer of realised gains on investments	(7,126,035)	-	7,126,035	-
	8,462,074	(600,000)	(3,642,764)	4,219,310
AT 31 OCTOBER 2021	41,169,016	35,571,268	61,040,841	137,781,125
Surplus/(deficit) for the year	(17,580,708)	(3,062,100)	3,433,960	(17,208,848)
Other comprehensive income:				
Private Medical Insurance Scheme:				
Actuarial gain	-	-	1,966,140	1,966,140
Current tax on actuarial gain	-	-	-	-
Defined benefit pension scheme:				
Actuarial loss	-	-	-	-
Deferred tax on actuarial loss	-	-	-	-
Transfer of realised gains on investments	(4,078,066)	-	4,078,066	-
	(21,658,774)	(3,062,100)	9,478,166	(15,242,708)
AT 31 OCTOBER 2022	19,510,242	32,509,168	70,519,007	122,538,417
NFU – General Fund	17,085,195	32,509,168	60,037,136	109,631,499
NFU – Legal Fund	2,425,047	-	10,481,871	12,906,918
AT 31 OCTOBER 2022	19,510,242	32,509,168	70,519,007	122,538,417

A description of these reserves is provided in note 25.

THE NATIONAL FARMERS' UNION

CONSOLIDATED CASH FLOW STATEMENT YEAR ENDED 31 OCTOBER 2022

	Note	2022 £	2021 £
OPERATING ACTIVITIES			
Cash used in operations	26	(4,831,028)	(8,622,181)
Investment income		3,437,201	4,352,438
Tax paid		(143,500)	(242,552)
		<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES		(1,537,327)	(4,512,295)
		<hr/>	<hr/>
INVESTING ACTIVITIES			
Purchase of businesses		-	(168,823)
Purchase of intangible fixed assets		-	(39,270)
Purchase of tangible fixed assets		(537,504)	(370,921)
Purchase of investments		(12,845,463)	(6,962,665)
Proceeds on disposal of investments		13,285,441	17,319,438
		<hr/>	<hr/>
NET (USED IN)/CASH FROM INVESTING ACTIVITIES		(97,526)	9,777,759
		<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,634,853)	5,265,464
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		5,180,598	(84,866)
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR		3,545,745	5,180,598
		<hr/>	<hr/>
Relating to:			
Bank balances and short term deposits included in cash at bank and in hand		3,545,745	5,180,598
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	3,545,745	5,180,598
		<hr/>	<hr/>

THE NATIONAL FARMERS' UNION

NFU CASH FLOW STATEMENT YEAR ENDED 31 OCTOBER 2022

	Note	2022 £	2021 £
OPERATING ACTIVITIES			
Cash used in operations	26	(4,994,551)	(9,763,252)
Investment income		3,435,757	4,352,438
Tax paid		-	-
		<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES		(1,558,794)	(5,410,814)
		<hr/>	<hr/>
INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(338,694)	(361,113)
Purchase of investments		(12,845,463)	(6,962,665)
Proceeds on disposal of investments		13,285,441	17,319,438
		<hr/>	<hr/>
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		101,284	9,995,660
		<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,457,510)	4,584,846
		<hr/> <hr/>	<hr/> <hr/>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,711,703	(873,143)
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,254,193	3,711,703
		<hr/> <hr/>	<hr/> <hr/>
Relating to:			
Bank balances and short term deposits included in cash at bank and in hand		2,254,193	3,711,703
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	2,254,193	3,711,703
		<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

1. BASIS OF ACCOUNTS

The financial statements include the income and expenditure, assets and liabilities of the National Farmers' Union (NFU).

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

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

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Trade Union and Labour Relations (Consolidation) Act 1992.

The accounts are prepared under the historical cost convention, with the exception that fixed asset listed investments and investment property are included at fair value.

Basis of consolidation

The Group financial statements consolidate the accounts of the NFU and its subsidiaries, made up to 31 October 2022. All intra-group transactions, balances and unrealised gains on transactions between group undertakings are eliminated on consolidation.

Subsidiaries are included using the acquisition method of accounting. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Details of subsidiary and related undertakings are summarised in note 17 and 27.

2. ACCOUNTING POLICIES

Going concern

In the light of the wider economic uncertainty and the UK agricultural regulatory environment, and as described in the Financial Report, the officers have given consideration to the impact of these matters on the operations and financial position of the NFU and of its wider group, as well as upon its members and suppliers. Whilst recognising that there can be no certainty, the officers are satisfied that these ongoing matters do not present a significant risk to the operations and financial performance of the NFU and group, and that the going concern basis of preparation remains appropriate.

Revenue recognition

Subscription income

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

Contributions from the NFU Mutual Insurance Society Limited

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

Other income

Sales are recognised at the fair value of the consideration received or receivable for the sale of goods and services when the risks and rewards of the transaction have been transferred to the customer.

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

2. ACCOUNTING POLICIES (Continued)

Foreign currencies

The consolidated accounts are presented in sterling, which is the functional currency. Transactions in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates ruling at the balance sheet date, or if the asset or liability is measured at fair value the rate when that fair value was determined. All differences arising on the translation of such items are dealt with in the surplus or deficit for the year, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related transaction gains or loss is also recognised there.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Intangible assets

Intangible assets are stated in the balance sheet at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised over its estimated useful economic life.

Amortisation is provided on all intangible assets, other than assets under construction, so as to write off the cost, less any estimated residual value, over their useful life, as follows:

Goodwill	5 years
----------	---------

Tangible fixed assets

Tangible fixed assets (except for freehold property) are stated at cost, net of depreciation and any provision for impairment.

Freehold property is stated at fair value less any subsequent accumulated depreciation and impairment losses. Gains on revaluation are recognised in other comprehensive income and accumulated in the revaluation reserve. Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.

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

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

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and on the condition expected and the end of its useful life.

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

2. ACCOUNTING POLICIES (Continued)

Impairments

Fixed assets are reviewed for impairment at each balance sheet date if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards in which case the NFU estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised within the surplus or deficit for the year in the Statement of Comprehensive Income.

Investment property

Investment property is shown at fair value and is revalued annually. The aggregate surplus or deficit on revaluation is recognised within the surplus or deficit for the year in the Statement of Comprehensive Income.

Investments

Investments listed on a recognised stock exchange are classified as financial instruments and stated at their fair value at the balance sheet date. Gains or losses are recognised within the surplus or deficit for the year in the Statement of Comprehensive Income. Although the investments are actively traded within the portfolio, the portfolio is not expected to be realised in the foreseeable future and is therefore classified as a fixed asset investment.

In the accounts of the NFU as an entity, the interest in subsidiaries is initially measured at cost and subsequently at cost less impairment losses. These investments are assessed for impairment at each reporting date and any such loss is recognised within the surplus or deficit for the year in the Statement of Comprehensive Income.

Operating leases

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

Rent receivable

Rental income from investment properties leased out under operating leases is recognised within the surplus or deficit in the Statement of Comprehensive Income on a straight line basis over the term of the lease. Rent free periods or other lease incentives are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

Retirement benefits

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

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

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

2. ACCOUNTING POLICIES (Continued)

Gains or losses recognised within the surplus or deficit in the Statement of Comprehensive Income:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.

Gains or losses recognised in other comprehensive income:

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

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

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the balance sheet date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries that will be assessed to or allowed for tax in a future period except where the NFU is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value, deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

2. ACCOUNTING POLICIES (Continued)

Current and deferred tax is charged or credited within the surplus or deficit in the Statement of Comprehensive Income, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or reserves.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Provisions

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

Financial instruments

The NFU has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the NFU becomes a party to the contractual provisions of the instrument, and are offset only when the NFU currently has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets

Trade and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Such debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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 NFU after deducting all of its liabilities.

Bank overdrafts

Bank overdrafts are presented within creditors: amounts falling due within one year.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2022

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the application of the NFU's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement that has a significant impact on the financial statements is in respect of going concern, as described in note 2 above.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Investment Properties

Investment properties are carried at fair value, which requires estimation as to the current market value of the properties. Valuations are obtained by management on a periodic basis from independent chartered surveyors, with an officers' valuation performed at each financial year end based upon those valuations. As described in note 17, an independent valuation has been obtained as at 31 October 2021 for the commercial Knightsbridge properties; officers' valuations have been undertaken for all other properties. While recognising that there can be no certainty, the officers have considered the impact of the ongoing coronavirus pandemic on these valuations. The carrying value of investment properties at the balance sheet date is £51,793,304 (2021: £54,855,404).

The NFU also holds certain freehold properties in order to fulfil its commercial and representational needs. In accordance with FRS 102, the proportion of the properties' total fair value that is held for earning rental income is classified on the balance sheet as investment property and is included in the carrying value above. This proportion requires estimation by management on an annual basis. Further details are provided in note 17.

Goodwill

Goodwill arising on the acquisitions of NFU Energy Limited and C T Planning Limited is capitalised and amortised over its estimated useful economic life which is considered to be five years. The carrying value of goodwill at the balance sheet date is £247,872 (2021: £835,641). The carrying value is included on the judgement that this will be recovered, based upon an assessment of impairment indicators which are reviewed by management on an annual basis.

Defined Benefit Pension Scheme

The scheme deficit included in the balance sheet is £nil (2021: £nil). The key sensitivity is to the discount rate assumption. The rate used is based on the yield on the iBoxx AA rated corporate bond yield curve with a duration of 18 years, which broadly matches the duration of the Scheme's liabilities. Further details on the principal assumptions used to calculate scheme assets and liabilities at the balance sheet date are given in note 12.

Where scheme assets are greater than scheme liabilities, the resulting surplus may only be recognised on the NFU's balance sheet where the NFU has the right to use the surplus to generate a future economic benefit. Where future utilisation is uncertain, an 'asset ceiling' is applied and the carrying value of the surplus is reduced to £nil.

Private Medical Insurance Scheme

The principal assumptions used to calculate the liability at the balance sheet date of £3,453,357 (2021: 5,524,728) are given in note 12. If the assumed annual healthcare premium increase is varied down by 1% percent to 11% (2021: 11%), the liability would be £3,143,245 (2021: £4,846,333).

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

4. MEMBERS' SUBSCRIPTIONS AND RELATED INCOME

	2022	2021
	£	£
Income from members:		
Subscriptions	19,789,864	19,642,378
Legal assistance scheme subscriptions	1,399,678	1,372,175
	<hr/>	<hr/>
	21,189,542	21,014,553
	<hr/>	<hr/>
Other income:		
Sales	5,702,969	5,735,646
Rental income	413,686	526,803
Contributions and other income from the NFU Mutual Insurance Society	6,766,000	6,512,000
Contributions from other organisations	117,526	109,892
Other income	195,911	381,646
	<hr/>	<hr/>
	13,196,092	13,265,987
	<hr/>	<hr/>
	34,385,634	34,280,540
	<hr/> <hr/>	<hr/> <hr/>

5. MEMBERS' REPRESENTATION

	2022	2021
	£	£
Meetings and associated expenses	2,171,943	1,065,279
Elected officers' remuneration	365,665	370,003
Overseas visits	34,055	3,280
COPA and other subscriptions	378,471	391,415
Membership retention and recruitment	453,925	392,644
Animal Health and Welfare	97,827	53,195
	<hr/>	<hr/>
	3,501,886	2,275,816
	<hr/> <hr/>	<hr/> <hr/>

6. PROMOTIONAL ACTIVITIES

	2022	2021
	£	£
Advertising campaigns	22,309	341,017
National shows and events	212,585	52,771
Regional shows and events	403,604	191,070
Public affairs	402,774	400,673
Marketing and research	302,505	184,222
Digital services	18,683	13,516
	<hr/>	<hr/>
	1,362,460	1,183,269
	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

7. STAFF COSTS

	2022	2021
	£	£
Staff remuneration	19,051,836	17,900,164
Personnel costs (NIC, pension contributions, voluntary pensions and welfare, etc)	4,450,672	4,006,649
Staff recruitment and training	428,691	312,579
Staff expenses	1,049,963	342,646
Group secretary expenses	452,316	435,430
	<hr/>	<hr/>
	25,433,478	22,997,468
	<hr/> <hr/>	<hr/> <hr/>

8. LEGAL ASSISTANCE SCHEME

	2022	2021
	£	£
Grants to members	439,720	1,338,421
	<hr/> <hr/>	<hr/> <hr/>

9. ADMINISTRATIVE COSTS

	2022	2021
	£	£
Audit fees:		
NFU	26,960	25,250
NFU Services Limited	5,000	4,500
NFU Energy Limited	7,290	6,500
C T Planning Limited	3,260	2,990
NFU EnZero Limited	-	1,000
Auditor's remuneration:		
Non-audit fees	9,350	-
Professional fees:		
Property	115,663	203,903
Pension administrative costs	150,229	142,983
Other	1,082,828	856,530
Printing and stationery	98,997	91,154
Telephone	255,389	300,648
Postage and carriage	86,341	90,989
Other	339,068	231,307
	<hr/>	<hr/>
	2,171,025	1,957,754
	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

10. ESTABLISHMENT COSTS

	2022	2021
	£	£
Repairs and maintenance:		
Property	247,379	1,931,159
Other	942,128	1,050,025
Depreciation	788,575	771,394
Deficit / (surplus) on disposal of fixed assets	(88,372)	1,340
Accommodation costs:		
Net rent	789,093	831,147
Rates	477,099	496,690
Light and heat	210,757	138,070
Health and safety	60,932	83,933
Other	399,730	358,646
General insurance costs	419,549	353,362
	<hr/>	<hr/>
	4,246,870	6,015,766
	<hr/> <hr/>	<hr/> <hr/>

11. STAFF NUMBERS

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

	2022	2021
	No.	No.
Headquarters	334	334
Regions	121	121
Group secretaries	376	378
	<hr/>	<hr/>
	831	833
	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

12. RETIREMENT BENEFIT OBLIGATIONS

GROUP & NFU		2022	2021
		£	£
Amounts recognised in the balance sheet			
Defined benefit pension scheme	a)	-	-
Private medical insurance scheme	b)	3,453,357	5,524,728
		3,453,357	5,524,728

a) Defined benefit scheme

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

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

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

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

The valuation has been based on the actuarial valuation at 30 June 2020 and updated by Barnett Waddingham LLP to take account of the requirements of FRS 102 in order to assess the liabilities of the scheme at 31 October 2022. Scheme assets are stated at their fair value at 31 October 2022.

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

	2022	2021
Discount rate	5.05%	1.85%
Inflation rate RPI	3.45%	3.70%
Inflation rate CPI	2.65%	2.90%
Salary increases	3.45%	3.70%
Revaluation in deferment	2.65%	2.90%
RPI pension increases	3.45%	3.70%

	2022	2021
Post retirement mortality assumption	S3MNA adjusted by 95% / S3NFA adjusted by 100% with CMI 2021 projections using a long term rate of improvement of 1.5% p.a.	S3MNA adjusted by 95% / S3NFA adjusted by 100% with CMI 2020 projections using a long term rate of improvement of 1.5% p.a.

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

12. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Under FRS 102, the 'expected return on assets' is no longer used. The finance cost has been replaced by a 'net interest' entry, calculated using the discount rate applying at the start of the accounting period (ie the returns available on high quality corporate bonds) with no allowance made for any out-performance expected from the scheme's actual assets holding.

The revaluation in deferment assumption is based on Consumer Price Index (CPI) inflation rather than RPI inflation. Unlike RPI, there is currently a limited market implied measure of CPI inflation. Historically, CPI has increased at a slower rate than RPI and it is generally accepted that differences in the make-up and calculation method used for the two indices mean that this is likely to continue in future. The assumption for CPI is set by deducting 0.8% pa from the RPI assumption (2021: 0.8% pa).

The discount rate assumption of 5.05% pa adopted is based on the yield on the iBoxx AA rated corporate bond yield curve with a duration of 12 years, which broadly matches the duration of the Scheme's liabilities, plus an allowance of 0.1% (2021: 0.1% pa based on the yield on the iBoxx AA rated corporate bond yield curve with a duration of 18 years, plus an allowance of 0.1%).

The average life expectancy for a pensioner retiring at 65 at the balance sheet date is:

	2022	2021
	Years	Years
Male	23.1	23.0
Female	25.1	25.1

The average life expectancy for an employee retiring at 65 that is aged 45 at the balance sheet date is:

	2022	2021
	Years	Years
Male	24.7	24.6
Female	26.8	26.7

Amounts recognised within surplus or deficit in the Statement of Comprehensive Income in respect of the defined benefit scheme are as follows:

	2022	2021
	£	£
Net interest on the net defined benefit pension liability	<u>-</u>	<u>(35,090)</u>

Changes in the present value of the defined benefit obligation:

	2022
	£
Defined benefit obligation at 1 November 2021	110,200,310
Interest cost	(251,628)
Change in value of pensioner annuities	1,985,753
Experience loss on liabilities	2,037,368
Changes to demographic assumptions	(62,666)
Changes to financial assumptions	(40,063,084)
Benefits paid	(5,770,851)
Defined benefit obligation at 31 October 2022	<u>68,075,202</u>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

12. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Changes in the fair value of scheme assets:

	2022
	£
Scheme assets at 1 November 2021	119,238,060
Interest income	2,152,951
Employer contributions	-
Return on plan assets (excluding net interest on the net defined benefit asset)	(35,802,290)
Changes in value of annuity asset	(251,628)
Benefits paid	(5,770,851)
	<hr/>
Scheme assets at 31 October 2022	79,566,242
	<hr/> <hr/>

The actual return on scheme assets was -£33,900,967, including change in value of annuities – -29% (2021: £7,379,627– 7%).

The analysis of the scheme assets at the balance sheet date were as follows:

	2022	2021
	Fair value	Fair value
	£	£
Equity	4,206,857	5,502,535
Bonds	69,022,327	106,275,290
Other	4,324,370	2,218,827
Cash	2,012,688	5,241,408
	<hr/>	<hr/>
	79,566,242	119,238,060
	<hr/> <hr/>	<hr/> <hr/>
	2022	2021
	£	£
Scheme assets	79,566,242	119,238,060
Scheme liabilities	(68,075,202)	(110,200,310)
	<hr/>	<hr/>
Asset ceiling restriction	11,491,040	9,037,750
	(11,491,040)	(9,037,750)
	<hr/>	<hr/>
Amount recognised in the balance sheet	-	-
	<hr/> <hr/>	<hr/> <hr/>

The increase in scheme assets over scheme liabilities includes employer contributions of £nil (2021: £4,160,000) for which, due to the asset ceiling restriction above, no corresponding asset is recognised on the NFU's balance sheet. These amounts have been recognised within Other Comprehensive Income as part of total actuarial losses for the year.

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

12. RETIREMENT BENEFIT OBLIGATIONS (Continued)

b) Private medical insurance scheme

The NFU operates a scheme which provides medical insurance for certain senior staff and office-holders, in employment and subsequently in retirement. As at 31 October 2022, 54 (2021: 55) retired individuals currently benefit and no others (2021: none) will be eligible upon retirement. As a result of changes in personnel policy and staff contracts, this benefit will not extend into retirement for new staff appointments made since 1994 and office-holder appointments made since 1996.

The valuation has been undertaken by Barnett Waddingham LLP to take account of the requirements of FRS 102 in order to assess the liability of the scheme at 31 October 2022.

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

	2022	2021
Discount rate	5.5%	1.8%
Increase in healthcare premiums	12.0%	12.0%

Movement in the private medical insurance scheme obligation:

	2022	2021
	£	£
At beginning of the year	(5,524,728)	(7,098,943)
Notional finance cost of private medical insurance scheme	(87,234)	(80,396)
Benefits paid	192,465	183,062
Actuarial gain	1,966,140	1,471,549
	<hr/>	<hr/>
Amount recognised in the balance sheet	(3,453,357)	(5,524,728)
	<hr/> <hr/>	<hr/> <hr/>

c) Notional finance costs of defined benefit pension and private medical insurance schemes

	2022	2021
	£	£
Net interest on the net defined benefit pension liability	-	(35,090)
Notional finance costs of private medical insurance scheme	87,234	80,396
	<hr/>	<hr/>
	87,234	45,306
	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

13. LEASING AGREEMENTS

As lessee:

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

	2022	2021
	£	£
Motor vehicles, office equipment, computer hardware and software	520,369	493,130
Land and buildings	621,808	708,696
	<u> </u>	<u> </u>

The total future maximum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Motor vehicles, office equipment, computer hardware and software:		
Expiring within 1 year	293,667	345,652
Expiring between 2 and 5 years	361,822	411,603
Land and buildings:		
Expiring within 1 year	346,221	519,025
Expiring between 2 and 5 years	1,135,842	1,207,269
Expiring after 5 years	280,192	554,985
	<u> </u>	<u> </u>
	2,417,744	3,038,534
	<u> </u>	<u> </u>

As lessor:

At the year end the NFU has contracted with tenants under non-cancellable operating leases, for the following minimum lease payments:

	2022	2021
	£	£
Amounts receivable:		
In less than one year	2,218,134	2,233,185
In one to five years	8,262,020	8,301,346
After five years	16,656,250	18,706,250
	<u> </u>	<u> </u>
	27,136,404	29,240,781
	<u> </u>	<u> </u>

The operating leases represent rental of properties to third parties. These are negotiated over terms of 1 to 20 years (2021: 1 to 20 years) and rentals are fixed for 1 to 20 years (2021: 1 to 20 years).

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

14. TAXATION

The taxation charge is made up as follows:

	2022 £	2021 £
UK Corporation tax	416,979	635,995
Adjustments in respect of prior year	(170,349)	-
	<hr/>	<hr/>
Current tax charge	246,630	635,995
Deferred tax:		
Timing differences, origination and reversal	20,009	445,136
Pension scheme liability	-	-
Fair value gains	(6,076,986)	6,323,872
Other timing differences	3,424	7,541
	<hr/>	<hr/>
	(6,053,553)	6,776,549
	<hr/>	<hr/>
Total tax (credit) / charge	(5,806,923)	7,412,544
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting the tax charge for the year:

	2022 £	2021 £
Surplus on ordinary activities before taxation (and after fair value gains)	(23,198,075)	14,324,302
	<hr/>	<hr/>
Tax at 19% (2021: 19%) thereon	(4,407,634)	2,721,617
<i>Effects of:</i>		
Chargeable disposals	(124,463)	107,177
Expenses not deductible for tax purposes	559,885	620,364
Capital allowances in excess of depreciation	(25,508)	31,188
Dividend income	(202,546)	(176,368)
Pension contributions	-	(797,067)
Other tax adjustments	64,054	12,868
Adjustments in respect of prior year	(170,349)	-
Group relief	(47,203)	-
Effects of changes in tax rates	(1,453,159)	4,892,765
	<hr/>	<hr/>
Total tax (credit) / charge	(5,806,923)	7,412,544
	<hr/> <hr/>	<hr/> <hr/>

Factors that may affect future tax charges

An increase in the long-term UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. Deferred tax balances reflect this higher long-term rate.

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

15. INTANGIBLE ASSETS

GROUP

	Goodwill £	Software £	Total £
<i>Cost</i>			
At 1 November 2021	3,190,977	92,221	3,283,198
Disposals	-	(42,327)	(42,327)
Revaluation	(40,369)	-	(40,369)
	<hr/>	<hr/>	<hr/>
At 31 October 2022	3,150,608	49,894	3,200,502
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Amortisation</i>			
At 1 November 2021	2,355,336	58,311	2,413,647
Charge for the year	547,400	10,492	557,892
Disposal	-	(39,398)	(39,398)
	<hr/>	<hr/>	<hr/>
At 31 October 2022	2,902,736	29,405	2,932,141
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Net book value</i>			
At 31 October 2022	247,872	20,489	268,361
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 October 2021	835,641	33,910	869,551
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16. TANGIBLE FIXED ASSETS

GROUP

	Freehold Property £	Leasehold Property £	Furniture Equipment and Vehicles £	Total £
<i>Cost</i>				
At 1 November 2021	4,936,232	14,293,539	4,092,715	23,322,486
Additions	-	6,950	530,554	537,504
Disposals	(35,000)	(38,758)	(6,612)	(80,370)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2022	4,901,232	14,261,731	4,616,657	23,779,620
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Accumulated depreciation</i>				
At 1 November 2021	995,796	3,604,944	3,340,335	7,941,075
Charge for the year	115,388	318,911	513,262	947,561
Eliminated on disposal	(16,248)	(6,843)	(2,702)	(25,793)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2022	1,094,936	3,917,012	3,850,895	8,862,843
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Net book value</i>				
At 31 October 2022	3,806,296	10,344,719	765,762	14,916,777
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 October 2021	3,940,436	10,688,595	752,380	15,381,411
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

**NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2022**

16. TANGIBLE FIXED ASSETS (Continued)

NFU	Freehold	Leasehold	Furniture	Total
	Property	Property	Equipment and Vehicles	
	£	£	£	£
<i>Cost</i>				
At 1 November 2021	4,936,232	14,272,976	4,151,575	23,360,783
Additions	-	-	338,694	338,694
Disposals	(35,000)	(50,112)	(1,030)	(86,142)
	<u>4,901,232</u>	<u>14,222,864</u>	<u>4,489,239</u>	<u>23,613,335</u>
<i>Accumulated depreciation</i>				
At 1 November 2021	995,796	3,602,201	3,427,601	8,025,598
Charge for the year	115,388	302,595	345,229	763,212
Disposals	(16,248)	(6,843)	(1,030)	(24,121)
	<u>1,094,936</u>	<u>3,897,953</u>	<u>3,771,800</u>	<u>8,764,689</u>
<i>Net book value</i>				
At 31 October 2022	<u>3,806,296</u>	<u>10,324,911</u>	<u>717,439</u>	<u>14,848,646</u>
At 31 October 2021	<u>3,940,436</u>	<u>10,670,775</u>	<u>723,974</u>	<u>15,335,185</u>

17. FIXED ASSET INVESTMENTS

GROUP AND NFU

Investment property	£
Fair value at 1 November 2021	54,855,404
Revaluation	(3,062,100)
	<u>51,793,304</u>

The commercial Knightsbridge investment properties were valued on a fair value basis at £46,500,000 (2021: £49,950,000) on 31 October 2022 by Hutchinson Morrison Childs, Chartered Surveyors, using the income and investment method of valuation. The carrying value of non-commercial Knightsbridge properties is £3,258,900 (2021: £2,871,000), based upon an officers' valuation as at 31 October 2022 (following an independent valuation by Chestertons, Chartered Surveyors, as at 31 October 2018). The historical cost of all Knightsbridge properties at 31 October 2022 was £11,705,554 (2021: £11,705,554).

25 Knightsbridge, London SW1 was let to Emirates National Bank of Dubai in July 2016, for a term of 20 years without break options, at a rent of £2,050,000 per annum. The lease is subject to rent free during the eleventh year of the term. The freehold interest in the building, subject to the lease, has been valued by external valuers having regard to current rental values and investment yields for central London offices.

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

17. FIXED ASSET INVESTMENTS (Continued)

27/31 Knightsbridge, London SW1 is leased to Bbay (Knightsbridge) Ltd under a lease expiring in 2142, subject to a rent gearing amounting to 10% of rents received from subleases. The freehold interest in the building, subject to the long lease, has been valued by external valuers, who have had regard to current open market rental values and investment yields, and who have made assumptions as to a number of factors including rental voids.

The NFU also holds certain freehold properties in order to fulfil its commercial and representational needs. A proportion of those properties are held solely for the purposes of earning rental income. In accordance with FRS 102, the proportion of the properties' total fair value that is held for earning rental income is classified on the balance sheet as investment property. The carrying value of these properties at the balance sheet date is £2,034,404 (2021: £2,034,404), based upon an officers' valuation as at 31 October 2022 (following an independent valuation by Knight Frank as at 31 December 2018). The historical cost of these properties at 31 October 2022 was £2,232,930 (2021: £2,232,930).

GROUP

Other fixed asset investments	Listed investments £
<i>Fair value</i>	
At 1 November 2021	98,657,000
Purchases	12,845,460
Revaluation	(17,580,710)
Disposals	(13,121,550)
<i>Carrying amount</i>	
At 31 October 2022	80,800,204

NFU

Other fixed asset investments	Listed investments £	Investment in subsidiary £	Total £
<i>Fair value/cost</i>			
At 1 November 2021	98,657,000	750,000	99,407,000
Purchases	12,845,460	-	12,845,460
Revaluation	(17,580,710)	-	(17,580,710)
Disposals	(13,121,550)	-	(13,121,550)
<i>Carrying amount</i>			
At 31 October 2022	80,800,200	750,000	81,550,200

The listed investments at fair value have an historical cost of £57,059,238 (2021: £53,256,275).

Details of the investments in which the NFU holds 20% or more of the nominal value of any class of share capital are as follows. Each subsidiary undertaking is incorporated in England and Wales. The registered office of all companies is Agriculture House, Stoneleigh Park, Kenilworth, Warwickshire, CV8 2TZ.

- NFU Services Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held directly. The company provides membership services. Its principal place of business is Agriculture House, Stoneleigh Park, Kenilworth, Warwickshire, CV8 2TZ.

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

17. FIXED ASSET INVESTMENTS (Continued)

- NFU Energy Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company provides energy consultancy services. Its principal place of business is 10th Street, Stoneleigh, Kenilworth, Warwickshire, CV8 2LS.
- NFU EnZero Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company facilitates the development of renewable energy solutions on agricultural land. Its principal place of business is Agriculture House, Stoneleigh Park, Kenilworth, Warwickshire, CV8 2TZ. Subsequent to the year end the decision was made to cease trading in NFU EnZero Limited.
- FEC Energy Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company was incorporated on 22 January 2019 and remains dormant. Its principal place of business is Agriculture House, Stoneleigh Park, Kenilworth, Warwickshire, CV8 2TZ.
- C T Planning Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company was acquired on 4 December 2020 and provides planning advisory services. Its principal place of business is Three Spires House, Station Road, Lichfield, WS13 6HX.

18. DEBTORS

GROUP	2022	2021
	£	£
Amounts paid in advance	2,822,406	2,513,511
Trade debtors	825,441	935,418
Amounts due from affiliated entities	10,968	2,940
VAT debtor	87,949	-
Other debtors	952,334	1,154,854
	<hr/>	<hr/>
	4,699,098	4,606,723
	<hr/> <hr/>	<hr/> <hr/>
 NFU	 2022	 2021
	£	£
Amounts paid in advance	2,724,406	2,436,412
Trade debtors	270,642	415,327
Amounts due from subsidiaries	7,774	22
Amounts due from affiliated entities	10,968	2,940
VAT debtor	87,949	-
Other debtors	770,686	1,099,233
	<hr/>	<hr/>
	3,872,425	3,953,934
	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

**NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2022**

19. **CASH AND CASH EQUIVALENTS**

GROUP	2022	2021
	£	£
Cash at bank and in hand	3,545,745	5,180,598
	<hr/>	<hr/>
Cash and cash equivalents in statement of cash flows	3,545,745	5,180,598
	<hr/> <hr/>	<hr/> <hr/>

NFU	2022	2021
	£	£
Cash at bank and in hand	2,254,193	3,711,703
	<hr/>	<hr/>
Cash and cash equivalents in statement of cash flows	2,254,193	3,711,703
	<hr/> <hr/>	<hr/> <hr/>

ANALYSIS OF NET DEBT:

GROUP	At 1			At 31
	November	Cash flow	Transfers	October
	2021	£	£	2022
	£	£	£	£
<i>Net cash:</i>				
Cash at bank and in hand	5,180,598	(1,634,853)	-	3,545,745
Bank overdrafts	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	5,180,598	(1,634,853)	-	3,545,745
<i>Debt:</i>				
Debt due within 1 year	-	-	-	-
Debt due after 1 year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net (debt) / funds	5,180,598	(1,634,853)	-	3,545,745
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP	2022	2021
	£	£
Trade creditors	1,970,911	1,503,877
Amounts due to branches	17,256	17,256
Amounts due to affiliated entities	271,983	242,159
Corporation tax	211,785	622,637
Other taxes and social security	1,066,425	645,076
Other creditors and accruals	4,335,946	4,214,764
	<hr/>	<hr/>
	7,874,306	7,245,769
	<hr/> <hr/>	<hr/> <hr/>
NFU	2022	2021
	£	£
Trade creditors	1,927,008	1,472,105
Amounts due to subsidiaries	1,349,125	1,046,359
Amounts due to branches	17,256	17,256
Amounts due to affiliated entities	271,983	242,159
Corporation tax	149,230	503,623
Other taxes and social security	813,614	559,657
Other creditors and accruals	4,140,863	3,843,589
	<hr/>	<hr/>
	8,669,079	7,684,748
	<hr/> <hr/>	<hr/> <hr/>

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

21. FINANCIAL INSTRUMENTS

The carrying amount of the Group's and NFU's financial instruments at 31 October were:

GROUP AND NFU	2022	2021
	£	£
Financial assets:		
Listed investments measured at fair value through surplus or deficit in the Statement of Comprehensive Income	80,800,200	98,657,000
	<hr/>	<hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

22. DEFERRED INCOME

GROUP	Subscriptions received in advance £	Contributions from NFU Mutual £	Total £
At 1 November 2021	2,459,656	1,091,000	3,550,656
Received during the year	2,431,185	1,135,000	3,566,185
Released to profit during the year	(2,459,656)	(1,091,000)	(3,550,656)
	<hr/>	<hr/>	<hr/>
At 31 October 2022	2,431,185	1,135,000	3,566,185
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
NFU	Subscriptions received in advance £	Contributions from NFU Mutual £	Total £
At 1 November 2021	2,268,752	1,091,000	3,359,752
Received during the year	2,245,831	1,135,000	3,380,831
Released to profit during the year	(2,268,752)	(1,091,000)	(3,359,752)
	<hr/>	<hr/>	<hr/>
At 31 October 2022	2,245,831	1,135,000	3,380,831
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

**NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2022**

23. PROVISIONS FOR LIABILITIES

GROUP

	Legal assistance scheme grants £	Dilapidation provisions £	Contingent consideration £	Deferred tax £	Total £
At 1 November 2021	1,855,703	672,942	149,544	20,396,828	23,075,017
Provisions made during the year	729,136	-	-	-	729,136
Utilised in the year	(1,241,280)	(68,818)	(40,370)	-	(1,350,468)
Transfer from the Statement of Comprehensive Income	-	-	-	(6,053,553)	(6,053,553)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2022	1,343,559	604,124	109,174	14,343,275	16,400,132
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NFU

	Legal assistance scheme grants £	Dilapidation provisions £	Deferred tax £	Total £
At 1 November 2021	1,855,703	672,942	20,384,228	22,912,873
Provisions made during the year	729,136	-	-	729,136
Utilised in the year	(1,241,280)	(68,818)	-	(1,310,098)
Transfer from Statement of Comprehensive Income	-	-	(6,067,427)	(6,067,427)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2022	1,343,559	604,124	14,329,401	16,277,084
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Legal assistance scheme grants

These represent outstanding awards at the balance sheet date made under the national legal assistance scheme (see note 29).

Dilapidation provisions

This represents estimated amounts arising from obligations under property leases. It is anticipated that the rectification works will be carried out during the 2022/23 and 2023/24 financial years.

Contingent consideration

This represents the maximum amounts due in respect of the acquisition of C T Planning Limited. The amounts are payable by 28 February 2023 and are dependent upon the trading results of CT Planning Limited for the 24-month financial period ended 31 October 2022.

THE NATIONAL FARMERS' UNION

**NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2022**

24. **DEFERRED TAX**

GROUP

	Defined benefit pension scheme £	Fair value gains £	Accelerated capital allowances £	Other timing differences £	Total £
At 1 November 2021	-	18,750,850	1,690,075	(44,097)	20,396,828
Transfer from Statement of Comprehensive Income	-	(6,076,986)	20,026	3,407	(6,053,553)
	-----	-----	-----	-----	-----
At 31 October 2022	-	12,673,864	1,710,101	(40,690)	14,343,275
	=====	=====	=====	=====	=====

NFU

	Defined benefit pension scheme £	Fair value gains £	Accelerated capital allowances £	Other timing differences £	Total £
At 1 November 2021	-	18,750,850	1,674,759	(41,381)	20,384,228
Transfer from Statement of Comprehensive Income	-	(6,076,986)	18,734	3,425	(6,054,827)
	-----	-----	-----	-----	-----
At 31 October 2022	-	12,673,864	1,693,493	(37,956)	14,329,401
	=====	=====	=====	=====	=====

25. **RESERVES**

Accumulated fund

The accumulated fund represents the cumulative surplus excluding revaluation reserves.

Revaluation reserve – listed investments

The reserves represent the unrealised fair value gain on the investments other than investment properties.

Revaluation reserve – investment property

The revaluation reserve represents the cumulative fair value gain in respect of the investment properties.

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

26. RECONCILIATION OF SURPLUS ON ORDINARY ACTIVITIES TO NET CASH GENERATED USED IN OPERATIONS

GROUP	2022 £	2021 £
(Deficit) / Surplus on ordinary activities after tax	(17,391,152)	6,911,758
Depreciation of tangible fixed assets	947,562	761,246
Amortisation of intangible assets	557,892	671,277
Loss on disposal of intangible fixed assets	57,504	-
Loss on disposal of tangible fixed assets	-	1,340
Deficit on disposal of investments	(163,886)	(1,269,816)
Fair value gains on fixed asset investments	20,642,808	(14,988,109)
Decrease in retirement benefit obligations	(105,231)	(102,666)
Decrease in pension liabilities	-	(4,195,090)
Property rental income (net)	(2,386,623)	(2,327,613)
Interest on term deposits	(36,977)	(32,045)
Dividends and other investment income	(1,405,616)	(2,372,770)
Investment fees	392,015	379,990
Taxation	(6,320,905)	7,463,247
	<hr/>	<hr/>
Operating cash flows before movements in working capital	12,178,543	(9,099,252)
Decrease/(increase) in trade and other debtors	(92,375)	417,957
Increase in trade and other creditors	1,039,389	(991,399)
Increase/(decrease) in deferred income	(580,962)	358,428
Increase/(decrease) in provisions	15,529	692,085
	<hr/>	<hr/>
Cash used in operations	(4,831,028)	(8,622,181)
	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

26. RECONCILIATION OF SURPLUS ON ORDINARY ACTIVITIES TO NET CASH GENERATED USED IN OPERATIONS (Continued)

NFU	2022 £	2021 £
Surplus on ordinary activities after tax	(17,208,848)	6,942,851
Depreciation of tangible fixed assets	763,212	727,252
(Gain)/deficit on disposal of fixed assets	62,021	-
(Gain)/deficit on disposal of investments	(163,886)	(1,269,816)
Fair value gains on fixed asset investments	20,642,808	(14,988,109)
Decrease in retirement benefit obligations	(105,231)	(102,666)
Decrease in pension liabilities	-	(4,195,090)
Property rental income (net)	(2,386,623)	(2,327,613)
Interest on term deposits	(35,533)	(32,045)
Dividends and other investment income	(1,405,616)	(2,372,770)
Investment fees	392,015	379,990
Taxation	(6,409,220)	7,275,350
	-----	-----
Operating cash flows before movements in working capital	11,353,947	(9,962,666)
Decrease in trade and other debtors	81,509	298,022
Increase/(decrease) in trade and other creditors	1,338,724	(1,169,945)
Increase/(decrease) in deferred income	(580,962)	379,252
Increase/(decrease) in provisions	21,079	692,085
	-----	-----
Cash used in operations	(4,994,551)	(9,763,252)
	=====	=====

27. RELATED UNDERTAKINGS

The related undertakings of the NFU are as follows:

	Activity	Ownership
Related undertakings not consolidated:		
(i)	Unincorporated trust funds:	
	NFU Beet Growers Account	Control & use of voluntary industry levy 100%
	This fund has not been consolidated because the NFU national organisation has no rights in, or control over the assets.	
(ii)	Unincorporated specialist branch funds	Investment & property income 100%
	These accounts have not been consolidated because the NFU national organisation has no rights in, or control over, the locally owned assets of its specialist branches.	
(iii)	Companies incorporated in England, limited by guarantee, control exercised by membership, membership by nominees and/or the appointment of directors:	
	Pig Disease Eradication Fund Ltd	Administration of statutory levy 50%
	Cornwall NFU Company Limited	Administration of funds 100%

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

27. RELATED UNDERTAKINGS (continued)

The Pig Disease Eradication Fund has not been consolidated because it is a quasi statutory body for which the NFU provides management services but in which the NFU has no financial interest except on a winding up. Also there are severe restrictions on the use of the funds.

Cornwall NFU Company Limited, in which the NFU has no financial interest, was incorporated to administer funds on behalf of NFU members in Cornwall.

- (iv) Companies incorporated in England, limited by guarantee, control exercised by membership, membership by nominees and/or the appointment of directors:

NFU Trust Co Ltd	Non-trading trust Company	100%
------------------	---------------------------	------

28. RELATED PARTY TRANSACTIONS

Related party transactions which have taken place during the financial year are noted below. Details of the related parties and the relevant interests of the NFU are shown in note 27.

Administration fees charged to related parties in the year were:

	2022 £	2021 £
(i) NFU Beet Growers Account Administration fees and salaries charged to Beet Growers	613,723	588,840
(ii) Pig Disease Eradication Fund Ltd Administration fees charged to Pig Disease Eradication Fund Ltd	2,000	2,000

The NFU loaned an amount of £nil (2021: £250,000 loaned and repaid in Nov 2020) to NFU Beet-Growers.

At 31 October 2021, the following balances were due to and from related parties:

	2022 £	2021 £
(i) NFU Beet Growers Account Amounts owed to the NFU	10,968	2,940
(ii) Pig Disease Eradication Fund Ltd Amounts owed to the NFU	-	-

At 31 October 2022, £332,736 (2021: £332,456) was being held on behalf of The Cornwall NFU Company Limited by the NFU.

In accordance with FRS 102, transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group, do not require to be disclosed.

Remuneration paid to key management personnel during the year amounted to £1,005,355 (2021: £953,898). Key Management Personnel are defined as the Officers of the NFU and members of the NFU Governance and NFU Policy Boards.

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

29. LEGAL FUND

The NFU Legal Fund operates a Legal Assistance Scheme which was launched on 1 November 1987 to replace various local schemes previously operated by county branches. The Legal Fund is funded by members' additional voluntary subscriptions.

The Legal Fund is included with the General Fund of the NFU in these accounts.

Separate detailed accounts are provided to the Legal Board of the NFU which has responsibility for the administration of the Legal Fund. In summary, the transactions of the fund in the year ended 31 October 2022 were as follows:

	£	2022 £	£	2021 £
Income and expenditure account:				
Income				
Members' subscriptions		1,399,678		1,372,175
Operating costs				
Grants to members *	439,720		1,338,421	
Administration costs	356,891		358,758	
		<u>(796,611)</u>		<u>(1,697,179)</u>
Operating surplus / (deficit)		603,067		(325,004)
Investment activities				
Interest on term deposits	26,281		30,123	
Dividend and other investment income	186,546		751,313	
Investment fees	<u>(52,684)</u>		<u>(55,654)</u>	
Surplus on investment activities		<u>160,143</u>		<u>725,782</u>
Surplus on ordinary activities before fair value movements and taxation		763,210		400,778
Fair value (losses)/gains on revaluation of listed investments		<u>(2,277,504)</u>		<u>2,866,608</u>
Surplus on ordinary activities after fair value movements and before taxation		(1,514,294)		3,267,386
Taxation credit/(charge)		<u>456,974</u>		<u>(850,758)</u>
(Deficit) / Surplus on ordinary activities after taxation		(1,057,320)		2,416,628
Total reserves brought forward		<u>13,741,399</u>		<u>11,324,771</u>
Total reserves carried forward		<u><u>12,684,079</u></u>		<u><u>13,741,399</u></u>

* Grants to members of £439,720 (2021: £1,338,421) is presented net of both grants awarded to members of £1,457,248 (2021: £1,928,570) and grants withdrawn/no longer required of £1,017,528 (2021: £590,149).

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2022

29. LEGAL FUND (Continued)

	2022	2021
	£	£
Represented by:		
Fixed assets:		
Listed investments at market value (cost: £10,895,598, 2021: £10,087,877)	13,978,684	16,538,801
	<hr/>	<hr/>
Current assets:		
Amount due from NFU General Fund	288,503	103,618
Other debtors	10,295	10,295
Cash and cash equivalents	854,224	588,985
	<hr/>	<hr/>
	1,153,022	702,898
	<hr/>	<hr/>
Current liabilities:		
Other creditors	(247,326)	(107,542)
	<hr/>	<hr/>
Deferred income:		
Deferred income	(101,992)	(102,492)
	<hr/>	<hr/>
Provisions:		
Grants payable	(1,343,559)	(1,855,703)
Deferred taxation	(754,750)	(1,434,563)
	<hr/>	<hr/>
Total reserves	12,684,079	13,741,399
	<hr/> <hr/>	<hr/> <hr/>

30. NON ADJUSTING EVENTS AFTER THE FINANCIAL PERIOD

Subsequent to the year end, in November 2022, the NFU has undertaken a restructure of its subsidiary undertakings whereby a newly incorporated intermediate holding company NFU Commercial Holdings Limited became a wholly owned subsidiary and, in turn, acquired 100% of the share capital of NFU Services Limited and took direct 100% ownership of each of CT Planning Limited, NFU Energy Limited, FEC Energy and NFU EnZero Limited. There was no change to the net assets of either the NFU or its group as a result of this transaction.

Following the restructure, described above, the directors of NFU EnZero Limited made the decision to cease activity in that company and intend to strike the company off within the next financial year.