NFUScotland

FINANCIAL REPORT 2018

Shaping the Future of Scottish Agriculture

Directors' Report and Financial Statements for the year ended 31 October 2018

The directors present their annual report and financial statements for the year ended 31 October 2018.

Principal activities

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

Members

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

Directors

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

Gerald Peter Banks	
Scott Alexander Walker	
Charles Robert Adam	
Andrew McCornick	
Gary Leslie Dixon Mitchell	
Kevin John Gilbert	(Resigned 22 May 2018)
Jamie Brown Smart	
Martin Colin Kennedy	
Ian Kerr Sands	
Roderick Kennedy	
Angus MacFadyen	
James Hastings Ireland	(Resigned 9 February 2018)
John Livingstone Dickson	
Kelvin Logan Pate	
Rupert Hugh Stewart Shaw	
David William Winton	
James Peter Nicolson	(Resigned 9 February 2018)
William Martin Harper	
Martin Stevenson Birse	
James Leslie Rankin	(Resigned 9 February 2018)
James Gray Porter	
Robert Donald Macdonald	(Appointed 9 February 2018)
John Millar Smith	(Appointed 9 February 2018)
Colin William Mair	(Appointed 9 February 2018)
David Barnett Scarth	(Appointed 9 February 2018)
Jamie Hamilton Murray Wyllie	(Appointed 22 May 2018)

Auditor

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

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

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

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

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

On behalf of the board

Scott Alexander Walker
Director
5th December 2018

Independent Auditors' Report to the Members of NFU Scotland

Opinion
We have audited the financial statements of NFU Scotland (the 'company') for the year ended 31 October 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Members' Funds, the Statement of Cash Flows and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) and Chapter 1A Small Entities.

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

Independent Auditors' Report to the Members of NFU Scotland

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

5 December 2018

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	2017 £
Turnover		2,984,174	2,851,659
Administrative expenses		(3,027,293)	(2,836,185)
Other operating income		15,308	16,657
Operating (deficit)/surplus	2	**(27,811)**	**32,131**
Interest receivable and similar income		72,285	78,137
Unrealised fair value gains and losses on investments		(41,833)	178,089
Unrealised fair value gains and losses on investment properties		40,000	-
Surplus before taxation		42,641	288,357
Taxation	4	15,783	(46,871)
Surplus for the financial year		58,424	241,486
Total comprehensive income for the year		58,424	241,486

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

BALANCE SHEET AS AT 31 OCTOBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	5		164,224		163,876
Investment properties	6		470,000		430,000
Investments	7		2,420,041		2,462,633
			3,054,265		3,056,509
Current assets					
Debtors	9	91,327		101,833	
Cash at bank and in hand		742,010		567,701	
		833,337		669,534	
Creditors: amounts falling due within one year	10	(792,925)		(670,183)	
Net current assets /(liabilities)			40,412		(649)
Total assets less current liabilities			3,094,677		3,055,860
Provisions for liabilities	11		(126,452)		(146,059)
Net assets			2,968,225		2,909,801
Capital and reserves					
Revaluation reserve	12		1,160,047		1,142,273
Retained earnings			1,808,178		1,767,528
Total equity			2,968,225		2,909,801

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

The financial statements were approved by the board of directors and authorised for issue on 5 December 2018 and are signed on its behalf by:

Scott Alexander Walker
Director

Andrew McCornick
Director

Company Registration No. SC214564

STATEMENT OF CHANGES IN MEMBERS' FUNDS FOR THE YEAR ENDED 31 OCTOBER 2018

	Revaluation reserve	Retained earnings	Total
	£	£	£
Balance at 1 November 2016	1,022,043	1,646,272	2,668,315
Year ended 31 October 2017:			
Surplus and total comprehensive income for the year	-	241,486	241,486
Transfer of unrealised gains	120,230	(120,230)	-
Balance at 31 October 2017	1,142,273	1,767,528	2,909,801
Year ended 31 October 2018:			
Surplus and total comprehensive income for the year	-	58,424	58,424
Transfer of unrealised gains	17,774	(17,774)	-
Balance at 31 October 2018	1,160,047	1,808,178	2,968,225

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes		2018		2017
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	**14**		110,887		48,687
Income taxes paid			(2,859)		(5,253)
Net cash inflow from operating activities			108,028		43,434
Investing activities					
Purchase of tangible fixed assets		(56,097)		(51,986)	
Proceeds on disposal of tangible fixed assets		2,500		16,219	
Purchase of fixed asset investments		(7,645)		(211,903)	
Proceeds on disposal of fixed asset investments		8,404		9,922	
Interest received		753		1,655	
Dividends received		71,532		68,482	
Net cash generated from/(used in) investing activities			19,447		(167,611)
Financing activities					
Increase in bank overdraft		46,834		-	
Net cash generated from/(used in) financing activities			46,834		-
Net increase/(decrease) in cash and cash equivalents			174,309		(124,177)
Cash and cash equivalents at beginning of year			567,701		691,878
Cash and cash equivalents at end of year			695,176		567,701
Relating to:					
Cash at bank and in hand			742,010		567,701
Bank overdrafts included in creditors payable within one year			(46,834)		-

Notes to the Financial Statements for the year ended 31 October 2018

1 Accounting policies

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

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

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

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

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

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

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

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

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

Tangible fixed assets include investment properties professionally valued by Chartered Surveyors on an existing use open market value basis. Investment properties are not depreciated. Other tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

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

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

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

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

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

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

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

Notes to the Financial Statements for the year ended 31 October 2018 (continued)

1.9 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

1.10 Taxation

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

Current tax

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

Deferred tax

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

1.11 Employee benefits

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

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

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

Notes to the Financial Statements for the year ended 31 October 2018 (continued)

1.12 Retirement benefits

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

1.13 Leases

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

1.14 Legal status

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

2 Operating (deficit)/surplus

	2018	2017
Operating (deficit)/surplus for the year is stated after charging:	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	12,480	11,005

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 38 (2017 - 34).

Their aggregate remuneration comprised:

	2018	2017
	£	£
Wages and salaries	1,345,646	1,292,847
Social security costs	140,419	139,409
Pension costs	122,830	116,444
	1,608,895	1,548,700

4 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on surplus for the current period	2,973	2,837
Adjustments in respect of prior periods	851	(3,825)
Total current tax	3,824	(988)
Deferred tax		
On unrealised gains or losses on investments	(19,607)	47,859
Total tax charge	(15,783)	46,871

Current taxation arises on realised gains or losses from investments.

Deferred taxation relates to unrealised gains or losses on investments.

Notes to the Financial Statements for the year ended 31 October 2018 (continued)

5 Tangible fixed assets

	Plant & machinery
	£
Cost	
At 1 November 2017	380,241
Additions	56,097
Disposals	(19,500)
At 31 October 2018	416,838
Depreciation and impairment	
At 1 November 2017	216,365
Depreciation charged in the year	55,749
Eliminated in respect of disposals	(19,500)
At 31 October 2018	252,614
Carrying amount	
At 31 October 2018	164,224
At 31 October 2017	163,876

6 Investment property

	2018
	£
Fair value	
At 1 November 2017	430,000
Revaluations	40,000
At 31 October 2018	470,000

Investment property comprises four properties. A market value of £192,500 was obtained in November 2018 for two of these properties, representing a £15,000 uplift from the prior year. The directors have carried out their own assessment for the other two properties based on available market information. One property, last valued in 2016, has had a £25,000 uplift giving a fair value of £250,000. The other, last valued in 2014, has had no change in its fair value of £27,500.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2018	2017
	£	**£**
Cost	277,422	277,422
Accumulated depreciation	-	-
Carrying amount	277,422	277,422

Notes to the Financial Statements for the year ended 31 October 2018 (continued)

7 Fixed asset investments

	2018	2017
	£	£
Investments	2,420,041	2,462,633

The historic cost of unlisted investments amounts to £222,287 (2017: £222,287).
The historic cost of listed investments amounts to £1,097,261 (2017: £1,098,019).

Movements in fixed asset investments

	Unlisted investments	Listed investments	Total
	£	£	£
Cost or valuation			
At 1 November 2017	565,880	1,896,753	2,462,633
Additions	-	7,645	7,645
Valuation changes	15,299	(57,132)	(41,833)
Disposals	-	(8,404)	(8,404)
At 31 October 2018	581,179	1,838,862	2,420,041
Carrying amount			
At 31 October 2018	581,179	1,838,862	2,420,041
At 31 October 2017	565,880	1,896,753	2,462,633

8 Associates

Details of the company's associates at 31 October 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Scottish Agricultural & Rural Development Centre Limited	Scotland	Management of office property occupied by organisations mainly operating in the Agricultural and Rural sector	Ordinary	43

9 Debtors: amounts falling due within one year

	2018	2017
	£	£
Trade debtors	42,454	38,954
Other debtors	48,873	62,879
	91,327	101,833

10 Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	46,834	-
Trade creditors	65,629	92,323
Corporation tax	1,957	992
Other taxation and social security	65,719	54,731
Other creditors	612,786	522,137
	792,925	670,183

11 Provisions for liabilities

	2018	2017
	£	£
Deferred tax liabilities	126,452	146,059
	126,452	146,059

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

Notes to the Financial Statements for the year ended 31 October 2018 (continued)

12 Revaluation reserve

	2018	2017
	£	£
At beginning of year	1,142,273	1,022,043
Other movements	17,774	120,230
At end of year	1,160,047	1,142,273

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

13 Related party transactions

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

Purchases £101,846 (2017 - £97,589)
Sales £76,604 (2017 - £81,494)
Included in debtors is £17,878 (2017 - £1,556)

The company paid rent and service charges to the Scottish Agricultural & Rural Development Centre Limited in the year amounting to £84,034 (2017- £79,132).

14 Cash generated from operations

	2018	2017
	£	£
Surplus for the year after tax	58,424	241,486
Adjustments for:		
Taxation charged	(15,783)	46,871
Investment income	(72,285)	(78,137)
Gain on disposal of tangible fixed assets	(2,500)	(4,434)
Fair value gains and losses on investment properties	(40,000)	-
Depreciation and impairment of tangible fixed assets	55,749	55,097
Fair value gains and losses on investments	41,833	(178,089)
Movements in working capital:		
Decrease/(increase) in debtors	10,506	(41,558)
Increase in creditors	74,943	7,451
Cash generated from operations	110,887	48,687

NFU SCOTLAND

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 OCTOBER 2018

MANAGEMENT INFORMATION

Supplementary Statement of Comprehensive Income for the year ended 31st October 2018

		2018		2017
	£	£	£	£
Turnover				
Subscriptions		2,200,389		2,117,758
Donation from NFU Mutual		568,000		570,000
Sponsorship and services		60,000		56,927
Other income		155,785		106,974
		2,984,174		2,851,659
Other operating income				
Rent receivable		15,308		16,657
Administrative expenses		(3,027,293)		(2,836,185)
Operating (deficit)/surplus		**(27,811)**		**32,131**
Investment revenues				
Bank interest	753		1,655	
Investment income	71,532		76,482	
		72,285		78,137
Other gains and losses				
Unrealised fair value movements in investments		(41,833)		178,089
Unrealised fair value gains and losses on investment properties		40,000		-
Surplus before taxation		42,641		288,357

Schedule of Administrative Expenses for the year ended 31 October 2018

	2018	2017
	£	£
Administrative expenses		
Wages and salaries	1,113,257	1,062,853
Social security costs	140,419	139,409
Staff training	33,205	32,035
Staff pension costs defined contribution	122,830	116,444
Directors' remuneration	281,304	262,391
Expenses and representation	350,409	327,102
Commission and incentives	185,463	147,753
Property costs	5,761	8,351
Administration costs	334,785	319,547
Audit fees	12,505	11,005
Bank charges	11,152	9,919
Branch costs and regional support	223,692	215,287
Promotional costs	159,262	133,426
Depreciation	55,749	55,097
(Gain) on sale of Tangible assets (non-exceptional)	(2,500)	(4,434)
	3,027,293	**2,836,185**

Review of Holdings and Values at 31 October 2018

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

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

Name	Market Value £	Bank £	2018 Total £	2017 Total £
NFUS Head Office Consolidated Fund	**1,453,767**	**21,239**	**1,475,006**	**1,529,212**

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

Name	Market Value £	Bank £	2018 £	2017 £
Arran	5,185	398	5,583	5,577
Balfron & Menteith (B)	2,545	195	2,740	2,737
Banff	46,621	3,625	50,246	54,532
Black Isle & Mid Ross	5,227	402	5,629	5,622
Caithness	24,262	1,864	26,126	26,097
Easter Ross	8,174	628	8,802	8,792
Fife & Kinross	1,281	98	1,379	1,378
Kintyre	4,102	315	4,417	4,412
Lanark	34,568	2,657	37,225	39,368
Lochaber (B)	514	39	553	553
Lothians	6,791	522	7,313	8,866
Mid Argyll	3,424	263	3,687	3,683
Moray , Nairn and Strathspey	3,256	250	3,506	3,502
North Argyll	3,516	270	3,786	3,782
Borders	13,703	1,053	14,756	14,739
Mid and East Berwick	10,940	840	11,780	11,767
Speyside	1,624	125	1,749	-
Total	**175,733**	**13,544**	**189,277**	**195,407**

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

Name	Market Value £	Cash £	2018 £	2017 £
Angus	92,897	75	92,972	85,565
Ayr	69,583	5,150	74,733	76,284
Bute	-	2,184	2,184	2,184
Dumfries	38,882	18,131	57,013	57,258
Forth Valley	-	1,998	1,998	1,998
Islay and Jura	-	1,085	1,085	1,085
Orkney (shares at cost)	8,000	67,024	75,024	74,975
Wigtownshire	-	3,357	3,357	3,355
Total	**209,362**	**99,004**	**308,366**	**302,704**
Grand Total	**1,838,862**	**133,787**	**1,972,649**	**2,027,323**

Property at market values	£	In the Name of;
Roseburn Maltings	250,000	NFU Scotland
6 King Street, Castle Douglas	82,500	Dumfries and Stewartry Former Area Fund
83 North Street, Forfar	27,500	Angus Area Executive
60 Junction Road, Kirkwall	110,000	Orkney Area Executive

Farming With Dyslexia

For a dyslexic-friendly copy of this financial report please contact media@nfus.org.uk or call 0131 472 4000.

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