

Company Registration No. SC214564 (Scotland)

**NFU SCOTLAND**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2023**

# NFU SCOTLAND

## COMPANY INFORMATION

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### Directors

Martin Colin Kennedy  
Rupert Hugh Stewart Shaw  
Andrew James Connon  
William James Thomson  
Duncan Joachim Macalister  
Colin Robert Ferguson  
Iain Mckenzie Brown  
Mark Donald  
Alan George Simpson  
Deborra Margaret Playfair-Hannay  
Charles Peter Douglas  
Caroline Agnes Millar  
Jamie Hamilton Wylie  
Alasdair John MacNab  
Hugh Maclean Fraser  
John Ballantyne Davidson (Appointed 26 June 2023)  
Colin John Flett (Appointed 10 February 2023)  
Peter Malcolm Kennedy (Appointed 10 February 2023)  
John Loudon Bone Kerr (Appointed 26 June 2023)  
Mark John McCallum (Appointed 10 February 2023)  
Gordon McKilligan (Appointed 10 February 2023)  
Matthew Hamilton Steel (Appointed 10 February 2023)  
Robert Neil Thompson (Appointed 26 June 2023)  
Cecil Robert Hugh Eunson (Appointed 10 February 2023)

### Company number

SC214564

### Registered office

Rural Centre - West Mains  
Ingliston  
Newbridge  
Midlothian  
EH28 8LT

### Auditor

Johnston Carmichael LLP  
7-11 Melville Street  
Edinburgh  
EH3 7PE

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# NFU SCOTLAND

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# NFU SCOTLAND

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 OCTOBER 2023

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The directors present their annual report and financial statements for the year ended 31 October 2023.

#### 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:

Scott Alexander Walker	(Resigned 5 November 2022)
Martin Colin Kennedy	
Rupert Hugh Stewart Shaw	
Robert Donald Macdonald	(Resigned 10 February 2023)
Colin William Mair	(Resigned 10 February 2023)
Andrew James Connon	
James Cameron Maciver	(Resigned 10 February 2023)
Gary Leslie Dixon Mitchell	(Resigned 10 February 2023)
William James Thomson	
Robin James Traquair	(Resigned 10 February 2023)
Duncan Joachim Macalister	
Colin Robert Ferguson	
Iain Mckenzie Brown	
Mark Donald	
Alan George Simpson	
Steven James Sandison	(Resigned 10 February 2023)
Deborra Margaret Playfair-Hannay	
Charles Peter Douglas	
Caroline Agnes Millar	
Jamie Hamilton Wylie	
Alasdair John MacNab	
Hugh Maclean Fraser	
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Gordon McKilligan	(Appointed 10 February 2023)
Matthew Hamilton Steel	(Appointed 10 February 2023)
Robert Neil Thompson	(Appointed 26 June 2023)
Cecil Robert Hugh Eunson	(Appointed 10 February 2023)

#### 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.

# NFU SCOTLAND

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 OCTOBER 2023**

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### 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



.....  
Rupert Hugh Stewart Shaw MBE MA  
**Director**

20 / 12 / 2023  
Date: .....

# NFU SCOTLAND

## DIRECTORS' RESPONSIBILITIES STATEMENT

***FOR THE YEAR ENDED 31 OCTOBER 2023***

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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.

# NFU SCOTLAND

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NFU SCOTLAND

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### Opinion

We have audited the financial statements of NFU Scotland (the 'company') for the year ended 31 October 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Members' Funds and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2023 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

# NFU SCOTLAND

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NFU SCOTLAND

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### **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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibility statement, set out on page 3, 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### *Extent to which the audit is considered capable of detecting irregularities, including fraud*

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:

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.



# NFU SCOTLAND

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NFU SCOTLAND

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We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK GAAP
- Companies Act 2006
- Corporation Tax legislation
- VAT legislation

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of board meeting minutes.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to:

- Management override of controls
- Revenue recognition

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- reviewing minutes of meetings of those charged with governance for reference to breaches of laws and regulation or for any indication of any potential litigation and claims;
- reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- agreeing a sample of subscription revenue to supporting documentation to ensure appropriate recognition;
- agree a sample of affinity income to ensure appropriate recognition;
- completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006; and
- agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that 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 intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

# NFU SCOTLAND

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NFU SCOTLAND

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### 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.

*Johnston Carmichael LLP*

**William King (Senior Statutory Auditor)**  
**For and on behalf of Johnston Carmichael LLP**

Date: 20.12.2023

**Chartered Accountants**  
**Statutory Auditor**

7-11 Melville Street  
Edinburgh  
EH3 7PE

# NFU SCOTLAND

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2023

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	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	3,245,883	3,210,684
Administrative expenses	(3,510,528)	(3,227,636)
Other operating income	50,000	45,833
	<hr/>	<hr/>
<b>Operating (deficit)/surplus</b>	(214,645)	28,881
Interest receivable and similar income	82,841	59,810
Unrealised fair value gains and (losses) on investments	14,397	(194,067)
Realised gains and (losses) on investments	3,802	(8,342)
	<hr/>	<hr/>
<b>(Deficit) before taxation</b>	(113,605)	(113,718)
Tax on loss	(34,686)	(79,547)
	<hr/>	<hr/>
<b>(Deficit) for the financial year</b>	(148,291)	(193,265)
	<hr/>	<hr/>
<b>Total comprehensive (expense) for the year</b>	<u>(148,291)</u>	<u>(193,265)</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

Taxation comprises of current and deferred taxation.

# NFU SCOTLAND

## BALANCE SHEET

AS AT 31 OCTOBER 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	3		79,222		141,212
Investment properties	4		243,000		243,000
Investments	5		2,828,518		2,930,409
			<u>3,150,740</u>		<u>3,314,621</u>
<b>Current assets</b>					
Debtors	7	218,555		206,655	
Investments	8	236,513		-	
Cash at bank and in hand		802,708		1,136,823	
		<u>1,257,776</u>		<u>1,343,478</u>	
<b>Creditors: amounts falling due within one year</b>	9	(729,255)		(832,733)	
<b>Net current assets</b>			<u>528,521</u>		<u>510,745</u>
<b>Total assets less current liabilities</b>			3,679,261		3,825,366
<b>Provisions for liabilities</b>	11		(272,544)		(270,358)
<b>Net assets</b>			<u>3,406,717</u>		<u>3,555,008</u>
<b>Capital and reserves</b>					
Revaluation reserve	12		887,584		917,681
Profit and loss reserves			2,519,133		2,637,327
<b>Total equity</b>			<u>3,406,717</u>		<u>3,555,008</u>

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 20 / 12 / 2023 and are signed on its behalf by:



.....  
Rupert Hugh Stewart Shaw MBE MA  
Director

Company Registration No. SC214564

# NFU SCOTLAND

## STATEMENT OF CHANGES IN MEMBERS' FUNDS FOR THE YEAR ENDED 31 OCTOBER 2023

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	Notes	Revaluation reserve £	Retained earnings £	Total £
<b>Balance at 1 November 2021</b>		1,194,222	2,554,051	3,748,273
<b>Year ended 31 October 2022:</b>				
Loss and total comprehensive income for the year		-	(193,265)	(193,265)
Deferred tax movement		(77,847)	77,847	-
Transfer of unrealised gains and losses		(194,067)	194,067	-
Transfer of realised gains and losses		(4,627)	4,627	-
<b>Balance at 31 October 2022</b>		917,681	2,637,327	3,555,008
<b>Year ended 31 October 2023:</b>				
Loss and total comprehensive expense for the year		-	(148,291)	(148,291)
Deferred tax movement		(22,474)	22,474	-
Transfer of unrealised gains		14,397	(14,397)	-
Transfer of realised gains and losses		(22,020)	22,020	-
<b>Balance at 31 October 2023</b>		887,584	2,519,133	3,406,717

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# NFU SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

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### 1 Accounting policies

#### Company information

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

#### 1.1 Accounting convention

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

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

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

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The Company had a deficit of £148,291 for the year and is forecast to incur deficits into the future. However, based on the company's cash and investment holdings, the directors are satisfied that it remains appropriate to prepare the accounts on a going concern basis. 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, affinity income and 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.

Affinity income is recognised on the delivery of good to the member or payment notification is received.

Sundry income mainly consists of management fees and service charges and is recognised to the extent that the company obtains the right to consideration in exchange for its performance.

#### 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

# NFU SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2023

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#### 1 Accounting policies

(Continued)

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 and investments in listed investments and other similar assets, are initially measured at transaction price, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in the statement of comprehensive income.

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

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

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

#### 1.7 Impairment of fixed assets

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

#### 1.8 Current asset investments

Current asset investments represent short term deposits, held for a period over 90 days.

#### 1.9 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less. Deposits with maturities over three months are shown within current asset investments.

#### 1.10 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.

# NFU SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2023

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#### 1 Accounting policies

(Continued)

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

##### **Impairment of financial assets**

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

##### **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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### 1.11 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.



# NFU SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2023

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#### 1 Accounting policies

(Continued)

##### **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.

##### **1.12 Employee benefits**

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

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

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

##### **1.13 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.

##### **1.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

##### **1.15 Government grants**

Grants towards revenue expenditure are recognised in the statement of comprehensive income as the related expenditure is incurred.

##### **1.16 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 Employees

The average monthly number of persons (including directors) employed by the company during the year was: 41 (2022 - 42).

# NFU SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

### 3 Tangible fixed assets

	£
<b>Cost</b>	
At 1 November 2022	382,684
Additions	32,728
Disposals	(241,668)
	<hr/>
At 31 October 2023	173,744
	<hr/>
<b>Depreciation and impairment</b>	
At 1 November 2022	241,472
Depreciation charged in the year	39,810
Eliminated in respect of disposals	(186,760)
	<hr/>
At 31 October 2023	94,522
	<hr/>
<b>Carrying amount</b>	
At 31 October 2023	79,222
	<hr/> <hr/>
At 31 October 2022	141,212
	<hr/> <hr/>

### 4 Investment property

	2023 £
<b>Fair value</b>	
At 1 November 2022 and 31 October 2023	243,000
	<hr/> <hr/>

Investment property comprises of three properties at the year end. All three are held at their historical market valuation. Directors have undertaken a fair value assessment to ensure the valuations are still in line with the fair value of the properties in the current market.

### 5 Fixed asset investments

	2023 £	2022 £
Investment in associates	524,485	524,485
Listed investments	2,304,033	2,405,924
	<hr/>	<hr/>
	2,828,518	2,930,409
	<hr/> <hr/>	<hr/> <hr/>

The historic cost of unlisted investments amounts to £222,287 (2022: £222,287). The historic cost of listed investments amounts to £1,602,039 (2022: £1,686,797).

# NFU SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

### 5 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Investment in associates £	Listed investments £	Total £
<b>Cost or valuation</b>			
At 1 November 2022	524,485	2,405,924	2,930,409
Additions	-	34,440	34,440
Valuation changes	-	14,397	14,397
Disposals	-	(150,728)	(150,728)
At 31 October 2023	524,485	2,304,033	2,828,518
<b>Carrying amount</b>			
At 31 October 2023	524,485	2,304,033	2,828,518
At 31 October 2022	524,485	2,405,924	2,930,409

### 6 Associates

Details of the company's associates at 31 October 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Scottish Agricultural & Rural Development Centre Limited (28 February 2022 year end)	Rural Centre West Mains Ingliston EH28 8LT	Management of office property occupied by organisations mainly operating in the Agricultural and Rural sector	Ordinary	43

### 7 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	112,004	93,293
Other debtors	106,551	113,362
	218,555	206,655

As at 31 October 2023 there was no provision required for bad debts (2022: nil)

# NFU SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

### 8 Current asset investments

	2023 £	2022 £
Listed investments	236,513	-

Other investments include bank deposits with a maturity greater than three months, but less than twelve months.

### 9 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	41,318	99,752
Corporation tax	37,500	5,000
Other taxation and social security	66,953	77,772
Other creditors	583,484	650,209
	<u>729,255</u>	<u>832,733</u>

### 10 Security

A bond and floating charge is held over all of the assets of the company as security by the bank.

### 11 Provisions for liabilities

	2023 £	2022 £
Deferred tax liabilities	272,544	270,358
	<u>272,544</u>	<u>270,358</u>

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

### 12 Revaluation reserve

	2023 £	2022 £
At the beginning of the year	917,681	1,194,222
Transfer of realised and unrealised gains and losses on investments	(30,097)	(276,541)
At the end of the year	<u>887,584</u>	<u>917,681</u>

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.

On the disposal of assets held at fair value the element of the revaluation reserve relating to the assets sold is transferred to retained earnings.

# NFU SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

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### 13 Related party transactions

#### Transactions with related parties

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

Listed below are the transactions between the company and The Scottish Agricultural & Rural Development Centre Limited, a company in which Rupert Shaw and John Davidson are also directors and in which the company has a 43% interest.

Purchases £79,283 (2022: £76,888)

Sales £59,750 (2022: £63,743)

Included in debtors is £55,199 (2022: £66,000)

Included in creditors is £1,594 (2022: £nil)