

Company Registration No. SC214564 (Scotland)

NFU SCOTLAND
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012



NFU SCOTLAND

COMPANY INFORMATION

Directors

George Templeton Lawrie
Nigel Alexander Miller
John Picken
John Millar Smith
Gerald Peter Banks (Appointed 14 February 2012)
Scott Alexander Walker
Charles Robert Adam
Walter Allan Bowie
John Robert Walker Orr (Appointed 14 February 2012)
Hugh Maclean Fraser
Kevan William Harvey
Russell Brown
James Roe Adam (Appointed 14 February 2012)
Alastair Campbell Martin
James Hastings Ireland
Gary Leslie Dixon Mitchell (Appointed 14 February 2012)
Andrew Moir
Lachlan Alexander MacLean (Appointed 14 February 2012)
Robert Neil Livesey
Thomas Aitken French (Appointed 14 February 2012)
Philip John Manson Sleigh
John Semple

Secretary

Scott Alexander Walker

Company number

SC214564

Registered office

Rural Centre - West Mains
Ingliston
Newbridge
Midlothian
EH28 8LT

Auditors

Thomson Cooper
3 Castle Court
Carnegie Campus
Dunfermline
Fife
KY11 8PB

NFU SCOTLAND

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 12

NFU SCOTLAND

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2012

The directors present their report and financial statements for the year ended 31 October 2012.

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 following directors have held office since 1 November 2011:

George Templeton Lawrie

Nigel Alexander Miller

John Picken

John Millar Smith

Gerald Peter Banks

(Appointed 14 February 2012)

William Morgan Wilson

(Resigned 14 February 2012)

Scott Alexander Walker

Ian Malcolm MacDonald

(Resigned 14 February 2012)

Jane Anderson

(Resigned 14 February 2012)

Charles Robert Adam

Walter Allan Bowie

John Robert Walker Orr

(Appointed 14 February 2012)

Hugh Maclean Fraser

Kenneth Alan Campbell

(Resigned 14 February 2012)

Alan Stewart Crichton

(Resigned 14 February 2012)

Kevan William Harvey

Russell Brown

James Roe Adam

(Appointed 14 February 2012)

Alastair Campbell Martin

James Hastings Ireland

Gary Leslie Dixon Mitchell

(Appointed 14 February 2012)

Andrew Moir

Lachlan Alexander MacLean

(Appointed 14 February 2012)

Robert Neil Livesey

Thomas Aitken French

(Appointed 14 February 2012)

Philip John Manson Sleigh

John Semple

William Alexander Tulloch

(Resigned 14 February 2012)

Auditors

Thomson Cooper were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

NFU SCOTLAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2012

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 profit or loss 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



Scott Alexander Walker

Director

3 December 2012

NFU SCOTLAND

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NFU SCOTLAND

We have audited the financial statements of NFU Scotland for the year ended 31 October 2012 set out on pages 4 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out in the Directors' Report on pages 1 to 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2012 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.

Andrew Croxford (Senior Statutory Auditor)
for and on behalf of Thomson Cooper, Statutory Auditor
Accountants
Dunfermline
3 December 2012

NFU SCOTLAND

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2012

	Notes	2012 £	2011 £
Turnover		2,607,596	2,470,765
Administrative expenses		(2,630,215)	(2,448,805)
Other operating income		16,350	5,469
Operating (loss)/profit	2	(6,269)	27,429
Exceptional Item : Gain on sale of property	5	43,950	-
Profit on ordinary activities before interest		37,681	27,429
Other interest receivable and similar income	3	59,896	62,386
Interest payable and similar charges		-	(1,256)
Profit on ordinary activities before taxation		97,577	88,559
Tax on profit on ordinary activities	4	(8,116)	(1,263)
Profit for the year	10	89,461	87,296

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

NFU SCOTLAND

BALANCE SHEET

AS AT 31 OCTOBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	5	391,498		402,345	
Investments	6	1,298,161		1,215,200	
		<u>1,689,659</u>		<u>1,617,545</u>	
Current assets					
Debtors	7	189,652		140,638	
Cash at bank and in hand		644,932		602,904	
		<u>834,584</u>		<u>743,542</u>	
Creditors: amounts falling due within one year	8	<u>(635,697)</u>		<u>(562,002)</u>	
Net current assets		<u>198,887</u>		<u>181,540</u>	
Total assets less current liabilities		<u>1,888,546</u>		<u>1,799,085</u>	
Capital and reserves					
Revaluation reserve		228,103		228,103	
Profit and loss account	10	1,660,443		1,570,982	
Members' funds	11	<u>1,888,546</u>		<u>1,799,085</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board and authorised for issue on 3 December 2012

George Templeton Lawrie

George Templeton Lawrie
Director

Scott Alexander Walker

Scott Alexander Walker
Director

Company Registration No. SC214564

NFU SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

1.2 Turnover

Turnover comprises subscriptions receivable from members, donations received, and other sundry income, and is recognised when receivable.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land 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:

Land and buildings Freehold	Not depreciated
Computer equipment	33% Straight Line
Fixtures, fittings & equipment	20% Straight Line
Motor vehicles	33% Straight Line

It is the company's policy to maintain buildings to such a standard, and their residual values are such that depreciation is not significant, consequently buildings are not depreciated.

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Listed investments are stated at cost less provision for diminution in value. Unlisted investments are stated at directors' valuation.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of the majority of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 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 (loss)/profit	2012 £	2011 £
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	46,277	46,187
Auditors' remuneration	9,700	9,500
Directors' emoluments	207,819	224,975
and after crediting:		
Profit on disposal of tangible assets	(3,937)	(4,469)
Profit on disposal of investments	(5,887)	(8,799)

NFU SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2012

3	Investment income	2012	2011
		£	£
	Bank interest and dividends	<u>59,896</u>	<u>62,386</u>
4	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U.K. corporation tax	<u>8,116</u>	<u>1,263</u>
	Total current tax	<u>8,116</u>	<u>1,263</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>97,577</u>	<u>88,559</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2011 - 20.00%)	<u>19,515</u>	<u>17,712</u>
	Effects of:		
	Non-assessable income	<u>(11,983)</u>	<u>(17,041)</u>
	Other tax adjustments	<u>584</u>	<u>592</u>
		<u>(11,399)</u>	<u>(16,449)</u>
	Current tax charge for the year	<u>8,116</u>	<u>1,263</u>

NFU SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2012

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 November 2011	277,422	205,137	482,559
Additions	-	52,143	52,143
Disposals	-	(45,342)	(45,342)
At 31 October 2012	277,422	211,938	489,360
Depreciation			
At 1 November 2011	-	80,214	80,214
On disposals	-	(28,629)	(28,629)
Charge for the year	-	46,277	46,277
At 31 October 2012	-	97,862	97,862
Net book value			
At 31 October 2012	277,422	114,076	391,498
At 31 October 2011	277,422	124,923	402,345

During the year a property held by the Banffshire Area Executive Committee, which was not previously included in the assets of NFU Scotland, was sold for the sum of £43,950 with the amount received being retained and invested by NFU Scotland on behalf of the Area.

NFU SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2012

6 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 November 2011	764,810	450,390	1,215,200
Additions	132,929	-	132,929
Disposals	(49,968)	-	(49,968)
At 31 October 2012	847,771	450,390	1,298,161
Net book value			
At 31 October 2012	847,771	450,390	1,298,161
At 31 October 2011	764,810	450,390	1,215,200
	Market value £	Directors' valuation £	Total £
At 31 October 2012	1,215,990	450,390	1,666,380
At 31 October 2011	1,039,393	450,390	1,489,783

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Participating interests			
Scottish Agricultural & Rural Development Centre L	Scotland	Ordinary	43.00

The aggregate amount of capital and reserves and the results of this undertaking (of which the management of office property is the principal activity) for the last relevant financial year were as follows:

	Capital and reserves 2012 £	Profit for the year 2012 £
Scottish Agricultural & Rural Development Centre Limited	1,303,173	104,170

The historical cost of unlisted investments amounts to £222,287 (2011 : £222,287).

NFU SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2012

7 Debtors	2012 £	2011 £
Trade debtors	29,079	14,471
Other debtors	160,573	126,167
	<u>189,652</u>	<u>140,638</u>

8 Creditors: amounts falling due within one year	2012 £	2011 £
Trade creditors	62,472	64,277
Taxation and social security	53,043	40,544
Other creditors	520,182	457,181
	<u>635,697</u>	<u>562,002</u>

9 Pension costs

The company operates a defined contribution pension scheme for the benefit of the majority of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. Pension contributions were paid during the year in respect of 1 director (2011 - 1).

Defined contribution

	2012 £	2011 £
Contributions payable by the company for the year	<u>92,810</u>	<u>88,560</u>

NFU SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2012

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 November 2011	1,570,982
Profit for the year	89,461
Balance at 31 October 2012	<u>1,660,443</u>

11 Reconciliation of movements in reserves

	2012 £	2011 £
Profit for the financial year	89,461	87,296
Opening members' funds	<u>1,799,085</u>	<u>1,711,789</u>
Closing members' funds	<u>1,888,546</u>	<u>1,799,085</u>

12 Financial commitments

At 31 October 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2013:

	Land and buildings		Other	
	2012 £	2011 £	2012 £	2011 £
Operating leases which expire:				
Within one year	-	-	4,516	-
Between two and five years	-	-	-	4,516
In over five years	60,807	64,970	-	-
	<u>60,807</u>	<u>64,970</u>	<u>4,516</u>	<u>4,516</u>

NFU SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2012

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2012 Number	2011 Number
Head office staff	29	28
Employment costs	2012 £	2011 £
Wages and salaries	1,068,122	1,055,309
Social security costs	121,111	118,835
Other pension costs	92,810	88,560
	1,282,043	1,262,704

14 Related party relationships and transactions

Listed below are transactions between the company and The Scottish Agricultural & Rural Development Centre Limited, a company in which George Lawrie and Scott Walker are also directors.

Purchases £97,894 (2011 - £96,570).

Sales £92,547 (2011 - £88,513).

Included in Trade Creditors is £nil (2011 - £198).

Included in Trade Debtors is £7,181 (2011 - £8,002).

The company paid rent and service charges to The Scottish Agricultural & Rural Development Centre Limited in the year amounting to £65,374 (2011 - £71,960).

