

THE NATIONAL FARMERS' UNION

FINANCIAL STATEMENTS

31 OCTOBER 2023

THE NATIONAL FARMERS' UNION

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THE NATIONAL FARMERS' UNION

OFFICERS AND PROFESSIONAL ADVISERS

OFFICERS

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

NFU GOVERNANCE BOARD

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

FOOD, FARMING AND ENVIRONMENT BOARD

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

SECRETARY OF THE NFU

S T K Richards LLB (Hons), FCG

BANKERS

HSBC Bank plc
Penman Way
Grove Park, Enderby
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AUDITOR

PKF Francis Clark
Ground Floor
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REGISTERED OFFICE

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Email: nfu@nfu.org.uk

THE NATIONAL FARMERS' UNION

FINANCIAL REPORT

The officers present their annual report on the affairs of the NFU, together with the accounts for the year ended 31 October 2023.

It has been an extremely challenging year, with high inflation and interest rates pushing up the cost of living and business operating costs. The post covid supply side shortages and ongoing war in Ukraine, exacerbated by higher wage inflation, contributed to high farm input costs, and although inflation is easing, cost pressures continue to affect business performance and confidence and contraction in agriculture and horticulture. This created a difficult operating environment for our members and for the NFU, however the NFU's financial performance on ordinary activities has been resilient.

Economic and political uncertainty, including ongoing global conflicts, affected investment market sentiment and as a result volatility increased in the year and is expected to continue in the short term. Performance is however ahead of target over the longer term and our balance sheet remains in a strong position.

Consolidated balance sheet reserves have decreased by £2.1m to £122.6m (2022: £124.7m).

Principal Activities

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

Business Review

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

During the year, the NFU Group showed an operating deficit of £6.5m (2022: £5.4m deficit) on consolidation. With the surplus on investment activities and interest payable, this resulted in a deficit on ordinary activities before fair value movements and taxation of £2.8m (2022: £2.6m deficit) for the year.

The total comprehensive expenditure for the year is £2.1m (2022: £15.4m expenditure). The year-on-year variance is primarily due to the significant fall in the value of listed investments last year as described below.

Members' subscriptions and related income has increased by £1.4m to £35.8m (2022: £34.4m). Within this, the actual subscription income has increased to £19.9m. As at 31 October 2023, NFU core membership stood at 50,505 (2022: 51,764). The reduction in members was largely due to contraction in the industry and affordability amongst the smaller farmers.

Income also included contributions from the NFU Mutual of £7.0m (2022: £6.8m), and income of £4.7m from the operations of the NFU Commercial Group. The NFU's long standing relationship with the NFU Mutual remains extremely important to us and we place immense value on their support.

Total operating costs have increased to £42.3m (2022: £39.7m), with increased staff costs from the reorganisation of our operations, higher energy costs and core activity returning to their pre-pandemic levels.

Investments and Property

The value of our listed investments has increased to £81.7m (2022: £80.8m), which underperformed against our benchmark over the year, however is expected to meet targets over the longer term. The fair value gain for the year of £1.1m (2022: £17.6m loss) is reflected in the Statement of Comprehensive Income.

Dividends and other investment income amounted to £1.7m (2022: £1.4m) and is in line with expectations in our investment strategy, which is a focus on long term total return rather than short term income. Rental income from our investment properties continued to perform strongly in the year at £2.5m (2022: £2.5m).

THE NATIONAL FARMERS' UNION

FINANCIAL REPORT (continued)

Our Knightsbridge investment properties have decreased in value by £1m to £48.8m (2022: £49.8m). These were valued by Hutchinson Morrison Childs as at 31 October 2023 with the exception of 1 & 2 Old Barrack Yard, which are at officers' valuation.

In 2022, the West End Investment market suffered the consequences of higher inflation and increases in interest rates and in late September 2022 the market came to a virtual standstill. During 2023, the investment market has been subdued largely due to economic headwinds, fear of recession and rising investment yields which have had a further negative impact on values, however of a much lesser effect with inflation appearing to be under control. While CPI inflation has fallen to 4.6% in October 2023 since its peak of 11.1% in October 2022, interest rates remain high and continue to have an effect on the property market.

Properties with long term secure income have been the most resilient to a reduction in value and there is strong appetite for high quality assets. There is also increasing divergence between very best properties and the rest, which should give us more confidence in our Knightsbridge properties, which are in a prestigious location in the West End with number 25 Knightsbridge let in its entirety to Emirates National Bank of Dubai PJSC on a twenty-year lease ending in June 2036.

It is likely that prime property values will be aligned to interest rate movements going forward which suggests there could be very little change over the next year if inflation continues to ease and interest rates remain stable, however there remains some concern over a recession. Short term movements in valuation are not an immediate concern given these investment properties are to be held for the longer term.

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

Post-retirement benefits

The NFU Staff Pension Scheme valuation at 31 October 2023 was a surplus of £8.5m. (2022: £11.5m surplus). Overall, there was reduction in both the scheme's assets and liabilities, however the reduction in the scheme's assets was greater by £3m and therefore resulted in a £3m reduction in the surplus.

The NFU is only allowed to recognise this asset in its balance sheet if it can use the surplus to generate a future economic benefit for itself. We have therefore assumed that the surplus cannot be recognised on the balance sheet and applied an asset ceiling restricting the surplus to £0 (2022: £0). The defined benefit pension scheme valuation, which is accounted for in accordance with FRS 102, is disclosed in detail in note 12 to the accounts.

Since the last review date actual inflation has been higher than expected, which had the effect of increasing the value of the scheme's liabilities, coupled with the increase in the long-term inflation assumptions. This increase was however more than offset by other factors that had the effect of reducing the value placed on the scheme's liabilities. These factors were i) a rise in corporate bond yields resulting in a higher discount rate, ii) use of the most up to date mortality projections (CMI 2022) with default parameters which imply lower life expectancies and iii) allowing for lower commutation factors.

There was a greater fall than expected in the value of the scheme's assets. This is particularly due to the scheme's "protection" assets which are designed to match changes in the value of the liabilities for Scheme Funding purposes.

During the year the Private Medical Insurance Scheme ("PMI") provision fell to £3.2m (2022: £3.5m). The main reasons for this are that the changes in the financial and demographic assumptions used have reduced the value placed on the liabilities, particularly changes in market conditions and sadly there were more deaths than expected over the year. The average actual premium inflation, in excess of age-related increases, was lower than the 11% per annum assumed (comparing the rates assumed for last year's disclosures with the premium rates for the renewal including any age-related increases over the 12 months). The PMI provision is disclosed in detail in note 12.

Risk Management

The health and safety of our members and staff remains our top priority and while we continue to monitor developments through our business continuity group, immediate risk presented by Covid-19 is no longer considered high. Our risk assessment considers the impact of disruptions on critical business operations, with the business continuity plan updated to include a range of scenarios, informed in part by our experience through the pandemic.

THE NATIONAL FARMERS' UNION

FINANCIAL REPORT

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

The principal risks to the NFU are to its income, which is largely from subscriptions from farmer and grower members, contributions from the NFU Mutual and the NFU subsidiary companies. Contraction in agriculture and horticulture is a high risk to membership income. Shortages of labour and high wage inflation, with increases in other farm input costs such as energy, feed and fertiliser contribute to agricultural input cost inflation, which can be a challenge to recover, and mean that the short-term outlook for many farm businesses can look uncertain.

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

Energy and Carbon Reporting

We continue to report our greenhouse gas (GHG) emissions voluntarily to demonstrate our commitment to reducing the carbon footprint across our operations. This report summarises our energy usage and carbon emissions in the reporting year 2023, aligned to our financial year ending 31 October 2023, and the energy efficiency measures that have been introduced to minimise these emissions.

In 2023, there was a decrease in our total energy usage compared to 2022 as we normalised hybrid working and resumed an ordinary level of activity. Gas and heating oil energy usage decreased significantly more than the increase in diesel, petrol use and electricity import resulting in an overall net decrease in total energy usage. The increase in face-to-face meetings and travel, and the introduction of hybrid and electric vehicles explain the increases in vehicle related and electricity energy usage.

Methodology

GHG emissions are quantified and reported according to the Greenhouse Gas Protocol. Energy consumption data and has been collated and converted into CO₂ equivalent (CO₂e) using the UK Government GHG Conversion Factors for Company Reporting 2022, published annually by DBEIS to calculate emissions from corresponding activity data.

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

Intensity Ratio

Calculating emissions intensity using membership numbers and distance travelled by staff for visiting members are considered best to represent the scale of the business.

Reporting boundaries and limitations

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

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

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

Assumptions and estimations

Various assumptions have been made in the calculations and in some instances, data was not available for the relevant period, so estimations based on available data surrounding the period has been deemed a sensible alternative.

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FINANCIAL REPORT

- In our Petersfield office there is a separate metered electricity supply to the communal areas. Billing arrangements assume that the two building users are each responsible for 50% of this consumption.
- Where start or end meter readings were not available estimates for consumption have been made based on available data, and the desired data interpolated between the available dates.
- For periods where multiple estimations were required in a row, the previous estimate(s) were added to the previous actual read and an interpolated meter read created to fill the gaps. This method provided the same, or very similar results, to the date estimation formulae. We foresee no, or very few additional errors between supplies using this method and the existing calculation method.
- Consumption of Heating and Burning Oil has been deduced from delivered volumes and dates.
Published vehicle emissions data in gCO₂/km has had an uplift applied to represent real-world conditions, using factors published by DESNZ, listed in Table 1.

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
10.8%	11.9%	13.0%	15.7%	18.3%	21.0%	23.6%	26.3%	27.6%	29.0%
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
33.3%	41.5%	38.0%	31.5%	31.5%	31.5%	13.4%	13.4%	13.4%	0.0%

Table 1: Real World gCO₂ Uplifts

The uplift depends on the age of the vehicle, with 2023 vehicles expected to emit as per the manufacturers published emissions data (represented as 0% uplift). As vehicles grow older, we anticipate that these published emissions are no longer accurate, and therefore the uplift is applied for more realistic emission data.

- In the case of hybrid electric vehicles, the published CO₂ emissions factor necessarily assumes a certain proportion of operation in electric and fuel modes. We are unable to improve on this with actual data based on the style of usage.
- In general, no business-only vehicle fuel consumption data is available, therefore energy and CO₂ have been computed from DVLA gCO₂/km emissions factors for individual vehicles.
- Where no vehicle data was provided other than mileage, specific DVLA gCO₂/km emissions factors are unknown. An emissions factor averaging all NFU declared vehicles' gCO₂/km has been deemed the most appropriate to calculate fuel usage from mileage in unknown vehicles due to it showing less volatility year on year.
- In addition to the above, the proportion of petrol and diesel vehicles declared has been used for a weighted average to provide a more accurate kgCO₂/litre fuel value for average vehicle calculations; this has also been applied to 2022 data for a more accurate comparison.
- A shift from fuel consumption to business mileage has been made, so energy consumed has been calculated from this rather than relying on fuel invoices or fuel cards.
- Hire car fuel consumption has been calculated from reported mileage to simplify data collection and utilise a uniform methodology across all travel data.

Energy Consumption and CO₂ Emissions

Our largest single source of energy consumed is grid imported electricity, followed by road fuels, natural gas and heating oils. Energy usage and CO₂ emissions are shown in Table 2.

	Energy Type	2022 Energy kWh	2022 Emissions tCO ₂ e	2023 Energy kWh	2023 Emissions tCO ₂ e	Change in usage
Scope 1 Direct	Road Fuels	762,543	193.5	801,911	205.2	Increased
	Natural Gas	431,306	78.7	372,786	68.2	Decreased
	Heating Oils	540,224	133.9	307,624	76.2	Decreased
Scope 2 Indirect	Electricity (Grid Import)	873,239	185.4	930,913	192.8	Increased
	Electricity (Solar Gen)	58,054	0.0	66,782	0.0	N/A
	Total	2,665,366	591.5	2,480,016	544.3	Decreased

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FINANCIAL REPORT (continued)

	Intensity Ratio Metric	2022 Value	2022 Intensity Ratio kgCO ₂ e per member	2023 Value	2023 Intensity Ratio kgCO ₂ e per member	Change in value
	Membership numbers	51,764	11.43	50,505	10.74	Decreased
	Intensity Ratio Metric	2022 Value	2022 Intensity Ratio gCO ₂ e per km driven	2023 Value	2023 Intensity Ratio gCO ₂ e per km driven	Change in value
	Staff Travel	1,261,147	148	1,503,372	143	Increased

Table 2: Energy Consumption and CO₂ Emissions

Total CO₂ emissions and distance travelled from vehicles have increased, however, the carbon intensity per km travelled has decreased compared to 2022. This is due to the increased number of low emission vehicles (hybrid and full electric) being used. This is a deliberate change that was implemented in 2022 as a measure of reducing our emissions.

Energy Efficiency Improvements

We continue to implement a Net Zero strategy which aligns the organisation with its aspirations for Agriculture to achieve Net Zero by 2040. During the reporting year, we have implemented the following energy efficiency improvements:

- More sites have been fitted with smart meters to allow for more accurate data collection, this enables us to have better understanding of our usage to develop a plan for reducing consumption.
- The range of hybrid cars made available to staff has broadened even further to include more efficient options. The efficiencies from this are evidenced in this report by the increased mileage not translating into an increase in emissions.

In addition, we have undertaken the following specific measures to reduce energy consumption at Agriculture House, Stoneleigh Park; further energy use reduction measures are being rolled out to other NFU properties where appropriate, on an ongoing basis.

- The building's heating and cooling system only operates when needed and is turned off when not required to reduce usage and waste, for example on bank holidays.
- Equipment is turned off when not required, for example at night or at weekends.
- Lighting is managed more effectively in the conference centre, ensuring it is only on when required.
- Changed remaining fluorescent lights over to LED.
- Adjusted the timings for outdoor and car park lighting, optimising seasonal savings.
- All desk monitors are turned off every evening.
- Lights and monitors are turned off in all meeting rooms when not in use.

We have also introduced a biodiversity policy regarding the mowing of certain areas of the grassland around the Stoneleigh office buildings. In the summer, this grass will be allowed to grow wild, providing a positive environment for small bugs and creatures to wander and feed. This has been witnessed with great success for 2023. In the winter months, the lawn will be mowed to allow for thicker and greener regrowth in the coming spring and summer.

Tamsin Richards
S T K Richards LLB (Hons), FCG
Secretary

THE NATIONAL FARMERS' UNION

STATEMENT OF OFFICERS' RESPONSIBILITIES

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

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

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

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

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

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

Opinion

We have audited the financial statements of the National Farmers' Union (NFU) for the year ended 31 October 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and NFU Balance Sheet, the Consolidated and NFU Statement of Changes in Reserves, the Consolidated and NFU Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and NFU's affairs as at 31 October 2023 and of the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Trade Union and Labour Relations (Consolidated) Act 1992.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

Responsibilities of officers

As explained more fully in the Statement of Officers' Responsibilities set out on page 7, the officers are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

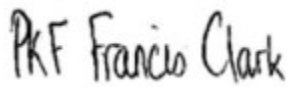
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL FARMERS' UNION

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

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

Use of our report

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



.....
Duncan Leslie (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

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

Date: 15/01/2024

THE NATIONAL FARMERS' UNION

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 OCTOBER 2023**

	Note	£	2023 £	£	2022 £
MEMBERS' SUBSCRIPTION AND RELATED INCOME	4		35,802,902		34,385,634
OPERATING COSTS					
Cost of sales		2,584,837		2,587,973	
Members' representation	5	3,416,187		3,501,886	
Promotional activities	6	1,217,053		1,362,460	
Staff costs	7	25,948,949		25,433,478	
Legal assistance scheme	8	2,259,348		439,720	
Administrative costs	9	2,175,978		2,171,025	
Establishment costs	10	4,696,332		4,246,870	
			(42,298,684)		(39,743,412)
OPERATING DEFICIT			(6,495,782)		(5,357,778)
INVESTMENT ACTIVITIES					
Investment property rental income		2,535,378		2,492,713	
Investment property rental costs		(105,000)		(106,090)	
Interest on term deposits		125,776		36,977	
Dividends and other investment income		1,747,518		1,405,616	
Investment management costs		(417,303)		(392,015)	
Amortisation of goodwill		(50,934)		(547,410)	
SURPLUS ON INVESTMENT ACTIVITIES			3,835,435		2,889,791
INTEREST					
Interest payable		(8,123)		(46)	
Notional finance costs of defined benefit pension and private medical insurance schemes	12	(172,878)		(87,234)	
			(181,001)		(87,280)
DEFICIT ON ORDINARY ACTIVITIES BEFORE FAIR VALUE MOVEMENTS AND TAXATION (carried forward)			(2,841,348)		(2,555,267)

THE NATIONAL FARMERS' UNION

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
YEAR ENDED 31 OCTOBER 2023**

	Note	£	2023 £	£	2022 £
DEFICIT ON ORDINARY ACTIVITIES BEFORE FAIR VALUE MOVEMENTS AND TAXATION (brought forward)			(2,841,348)		(2,555,267)
FAIR VALUE MOVEMENTS					
Fair value losses on revaluation of investment property	17	(950,000)		(3,062,100)	
Fair value gains/(losses) on revaluation of listed investments	17	1,070,044		(17,580,708)	
			<u>120,044</u>		<u>(20,642,808)</u>
(DEFICIT) / SURPLUS ON ORDINARY ACTIVITIES AFTER FAIR VALUE MOVEMENTS AND BEFORE TAXATION			(2,721,304)		(23,198,075)
Taxation	14		350,823		5,806,923
(DEFICIT) / SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION			(2,370,481)		(17,391,152)
OTHER COMPREHENSIVE INCOME					
Private Medical Insurance Scheme:					
Actuarial gain	12		267,676		1,966,140
Current tax on actuarial gain			-		-
Defined benefit pension scheme:					
Actuarial (loss)/gain	12		-		-
Deferred tax on actuarial (loss)/gain			-		-
			<u>267,676</u>		<u>1,966,140</u>
TOTAL COMPREHENSIVE (EXPENDITURE) / INCOME FOR THE YEAR			(2,102,805)		(15,425,012)


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

THE NATIONAL FARMERS' UNION

**CONSOLIDATED BALANCE SHEET
31 OCTOBER 2023**

	Note	2023 £	2022 £
FIXED ASSETS			
Intangible assets	15	568,282	268,361
Tangible fixed assets	16	14,634,971	14,916,777
Investments			
Property	17	50,843,304	51,793,304
Other	17	81,701,690	80,800,200
		<u>147,748,247</u>	<u>147,778,642</u>
CURRENT ASSETS			
Debtors	18	4,703,340	4,699,098
Cash at bank and in hand	19	1,949,832	3,545,745
		<u>6,653,172</u>	<u>8,244,843</u>
CREDITORS: amounts falling due within one year	20	(8,050,937)	(7,874,306)
		<u>(1,397,765)</u>	<u>370,537</u>
NET CURRENT (LIABILITIES)/ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		146,350,482	148,149,179
DEFERRED INCOME	22	(3,734,080)	(3,566,185)
PROVISIONS FOR LIABILITIES	23	(16,837,205)	(16,400,132)
		<u>125,779,197</u>	<u>128,182,862</u>
NET ASSETS EXCLUDING RETIREMENT BENEFIT OBLIGATIONS			
RETIREMENT BENEFIT OBLIGATIONS	12	(3,152,497)	(3,453,357)
		<u>122,626,700</u>	<u>124,729,505</u>
NET ASSETS INCLUDING RETIREMENT BENEFIT OBLIGATIONS			
RESERVES		<u>122,626,700</u>	<u>124,729,505</u>

The accounts on pages 11 to 48 were approved and authorised for issue by the Board of Officers on 10/01/2024.. and are signed on its behalf by:


M B Batters
President


T J Jones
Director General


THE NATIONAL FARMERS' UNION

**NFU BALANCE SHEET
31 OCTOBER 2023**

	Note	2023 £	2022 £
FIXED ASSETS			
Intangible fixed assets	15	350,856	-
Tangible fixed assets	16	14,554,377	14,848,646
Investments			
Property	17	50,843,304	51,793,304
Other	17	82,451,690	81,550,200
		<u>148,200,227</u>	<u>148,192,150</u>
CURRENT ASSETS			
Debtors	18	3,902,190	3,872,425
Cash at bank and in hand	19	669,631	2,254,193
		<u>4,571,821</u>	<u>6,126,618</u>
CREDITORS: amounts falling due within one year	20	(9,388,465)	(8,669,079)
		<u>(4,816,644)</u>	<u>(2,542,461)</u>
NET CURRENT LIABILITIES			
TOTAL ASSETS LESS CURRENT LIABILITIES		143,383,583	145,649,689
DEFERRED INCOME	22	(3,554,218)	(3,380,831)
PROVISIONS FOR LIABILITIES	23	(16,823,331)	(16,277,084)
		<u>123,006,034</u>	<u>125,991,774</u>
NET ASSETS EXCLUDING RETIREMENT BENEFIT OBLIGATIONS			
RETIREMENT BENEFIT OBLIGATIONS	12	(3,152,497)	(3,453,357)
		<u>119,853,537</u>	<u>122,538,417</u>
NET ASSETS INCLUDING RETIREMENT BENEFIT OBLIGATIONS			
RESERVES		<u>119,853,537</u>	<u>122,538,417</u>

The accounts on pages 11 to 48 were approved and authorised for issue by the Board of Officers on 10/01/2024 and are signed on its behalf by:


M B Batters
President


T J Jones
Director General

THE NATIONAL FARMERS' UNION

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 31 OCTOBER 2023**

	Revaluation reserve - listed investments £	Revaluation reserve - investment property £	Accumulated fund £	Total reserves £
AT 31 OCTOBER 2021	41,169,016	35,571,268	63,414,233	140,154,517
Surplus/(deficit) for the year	(17,580,708)	(3,062,100)	3,251,656	(17,391,152)
Other comprehensive income:				
Private Medical Insurance Scheme:				
Actuarial gain	-	-	1,966,140	1,966,140
Current tax on actuarial gain	-	-	-	-
Defined benefit pension scheme:				
Actuarial loss	-	-	-	-
Deferred tax on actuarial loss	-	-	-	-
Transfer of realised gains on investments	(4,078,066)	-	4,078,066	-
	(21,658,774)	(3,062,100)	9,295,862	(15,425,012)
AT 31 OCTOBER 2022	19,510,242	32,509,168	72,710,095	124,729,505
Surplus/(deficit) for the year	1,070,044	(950,000)	(2,490,525)	(2,370,481)
Other comprehensive income:				
Private Medical Insurance Scheme:				
Actuarial gain	-	-	267,676	267,676
Current tax on actuarial gain	-	-	-	-
Defined benefit pension scheme:				
Actuarial loss	-	-	-	-
Deferred tax on actuarial loss	-	-	-	-
Transfer of realised gains on investments	(820,178)	-	820,178	-
	249,866	(950,000)	(1,402,671)	(2,102,805)
AT 31 OCTOBER 2023	19,760,108	31,559,168	71,307,424	122,626,700
NFU – General Fund	17,521,740	31,559,168	53,672,003	102,752,911
NFU – Legal Fund	2,238,368	-	9,759,212	11,997,580
NFU Services	-	-	6,344,262	6,344,262
NFU Energy	-	-	1,165,902	1,165,902
C T Planning	-	-	366,045	366,045
AT 31 OCTOBER 2023	19,760,108	31,559,168	71,307,424	122,626,700

A description of these reserves is provided in note 25.

THE NATIONAL FARMERS' UNION

**NFU STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 31 OCTOBER 2023**

	Revaluation reserve - listed investments £	Revaluation reserve - investment property £	Accumulated fund £	Total reserves £
AT 31 OCTOBER 2021	41,169,016	35,571,268	61,040,841	137,781,125
Surplus/(deficit) for the year	(17,580,708)	(3,062,100)	3,433,960	(17,208,848)
Other comprehensive income:				
Private Medical Insurance Scheme:				
Actuarial gain	-	-	1,966,140	1,966,140
Current tax on actuarial gain	-	-	-	-
Defined benefit pension scheme:				
Actuarial loss	-	-	-	-
Deferred tax on actuarial loss	-	-	-	-
Transfer of realised gains on investments	(4,078,066)	-	4,078,066	-
	(21,658,774)	(3,062,100)	9,478,166	(15,242,708)
AT 31 OCTOBER 2022	19,510,242	32,509,168	70,519,007	122,538,417
Surplus/(deficit) for the year	1,070,044	(950,000)	(3,072,600)	(2,952,556)
Other comprehensive income:				
Private Medical Insurance Scheme:				
Actuarial gain	-	-	267,676	267,676
Current tax on actuarial gain	-	-	-	-
Defined benefit pension scheme:				
Actuarial loss	-	-	-	-
Deferred tax on actuarial loss	-	-	-	-
Transfer of realised gains on investments	(820,178)	-	820,178	-
	249,866	(950,000)	(1,984,746)	(2,684,880)
AT 31 OCTOBER 2023	19,760,108	31,559,168	68,534,261	119,853,537
NFU – General Fund	17,521,740	31,559,168	58,775,049	107,855,957
NFU – Legal Fund	2,238,368	-	9,759,212	11,997,580
AT 31 OCTOBER 2023	19,760,108	31,559,168	68,534,261	119,853,537

A description of these reserves is provided in note 25.

THE NATIONAL FARMERS' UNION

**CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 OCTOBER 2023**

	Note	2023 £	2022 £
OPERATING ACTIVITIES			
Cash used in operations	26	(5,454,321)	(4,831,028)
Investment income		3,919,261	3,437,201
Tax paid		(190,000)	(143,500)
		<u> </u>	<u> </u>
NET CASH FROM OPERATING ACTIVITIES		<u>(1,725,060)</u>	<u>(1,537,327)</u>
INVESTING ACTIVITIES			
Purchase of businesses		(109,174)	-
Purchase of intangible fixed assets		(350,855)	-
Purchase of tangible fixed assets		(541,091)	(537,504)
Purchase of investments		(10,552,019)	(12,845,463)
Proceeds on disposal of investments		10,991,699	13,285,441
		<u> </u>	<u> </u>
NET (USED IN)/CASH FROM INVESTING ACTIVITIES		<u>(561,440)</u>	<u>(97,526)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<u>(2,286,500)</u>	<u>(1,634,853)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>3,545,745</u>	<u>5,180,598</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>1,259,245</u>	<u>3,545,745</u>
Relating to:			
Bank balances and short term deposits included in cash at bank and in hand		1,949,832	3,545,745
Bank overdrafts		(690,587)	-
		<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	<u>1,259,245</u>	<u>3,545,745</u>

THE NATIONAL FARMERS' UNION

NFU CASH FLOW STATEMENT YEAR ENDED 31 OCTOBER 2023

	Note	2023 £	2022 £
OPERATING ACTIVITIES			
Cash used in operations	26	(5,582,422)	(4,994,551)
Investment income		3,898,968	3,435,757
Tax paid		(190,000)	-
		<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES		(1,873,454)	(1,558,794)
		<hr/>	<hr/>
INVESTING ACTIVITIES			
Purchase of intangible fixed assets		(350,856)	-
Purchase of tangible fixed assets		(490,519)	(338,694)
Purchase of investments		(10,552,019)	(12,845,463)
Proceeds on disposal of investments		10,991,699	13,285,441
		<hr/>	<hr/>
NET (USED IN)/CASH FROM INVESTING ACTIVITIES		(401,695)	101,284
		<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,275,149)	(1,457,510)
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,254,193	3,711,703
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR		(20,956)	2,254,193
		<hr/>	<hr/>
Relating to:			
Bank balances and short term deposits included in cash at bank and in hand		669,631	2,254,193
Bank overdrafts		(690,587)	-
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	(20,956)	2,254,193
		<hr/>	<hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

1. BASIS OF ACCOUNTS

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

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

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

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

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

Basis of consolidation

The Group financial statements consolidate the accounts of the NFU and its subsidiaries, made up to 31 October 2023. All intra-group transactions, balances and unrealised gains on transactions between group undertakings are eliminated on consolidation.

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

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

2. ACCOUNTING POLICIES

Going concern

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

Revenue recognition

Subscription income

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

Contributions from the NFU Mutual Insurance Society Limited

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

Other income

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

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

2. ACCOUNTING POLICIES (Continued)

Foreign currencies

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

Business combinations

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

Intangible assets

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

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

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

Goodwill	5 years
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Tangible fixed assets

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

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

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

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

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

**NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2023**

2. ACCOUNTING POLICIES (Continued)

Impairments

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

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

Investment property

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

Investments

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

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

Operating leases

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

Rent receivable

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

Retirement benefits

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

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

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

2. ACCOUNTING POLICIES (Continued)

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

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

Gains or losses recognised in other comprehensive income:

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

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

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

Taxation

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

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

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

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

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

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

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

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

2. ACCOUNTING POLICIES (Continued)

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

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

Provisions

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

Financial instruments

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

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

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets

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

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

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the NFU after deducting all of its liabilities.

Bank overdrafts

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

Creditors

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

**NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2023**

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

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

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

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

Investment Properties

Investment properties are carried at fair value, which requires estimation as to the current market value of the properties. Valuations are obtained by management on a periodic basis from independent chartered surveyors, with an officers' valuation performed at each financial year end based upon those valuations. As described in note 17, an independent valuation has been obtained as at 31 October 2023 for the commercial Knightsbridge properties; officers' valuations have been undertaken for all other properties. While recognising that there can be no certainty, the officers have considered the impact of the ongoing coronavirus pandemic on these valuations. The carrying value of investment properties at the balance sheet date is £50,843,304 (2022: £51,793,304).

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

Goodwill

Goodwill arising on the acquisitions of NFU Energy Limited and C T Planning Limited is capitalised and amortised over its estimated useful economic life which is considered to be five years. The carrying value of goodwill at the balance sheet date is £196,938 (2022: £247,872). The carrying value is included on the judgement that this will be recovered, based upon an assessment of impairment indicators which are reviewed by management on an annual basis.

Defined Benefit Pension Scheme

The scheme deficit included in the balance sheet is £nil (2022: £nil). The key sensitivity is to the discount rate assumption. The rate used is based on the yield on the iBoxx AA rated corporate bond yield curve with a duration of 18 years, which broadly matches the duration of the Scheme's liabilities. Further details on the principal assumptions used to calculate scheme assets and liabilities at the balance sheet date are given in note 12.

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

Private Medical Insurance Scheme

The principal assumptions used to calculate the liability at the balance sheet date of £3,152,497 (2022: £3,453,357) are given in note 12. If the assumed annual healthcare premium increase is varied down by 1% percent to 11% (2022: 11%), the liability would be £2,881,756 (2022: £3,143,245).

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

4. MEMBERS' SUBSCRIPTIONS AND RELATED INCOME

	2023	2022
	£	£
Income from members:		
Subscriptions	20,758,442	19,789,864
Legal assistance scheme subscriptions	1,417,432	1,399,678
	<hr/>	<hr/>
	22,175,874	21,189,542
	<hr/>	<hr/>
Other income:		
Sales	5,968,900	5,702,969
Rental income	346,636	413,686
Contributions and other income from the NFU Mutual Insurance Society	7,007,500	6,766,000
Contributions from other organisations	154,450	117,526
Other income	149,542	195,911
	<hr/>	<hr/>
	13,627,028	13,196,092
	<hr/>	<hr/>
	35,802,902	34,385,634
	<hr/> <hr/>	<hr/> <hr/>

5. MEMBERS' REPRESENTATION

	2023	2022
	£	£
Meetings and associated expenses	2,155,239	2,171,943
Elected officers' remuneration	349,479	365,665
Overseas visits	41,501	34,055
COPA and other subscriptions	350,187	378,471
Membership retention and recruitment	410,512	453,925
Animal Health and Welfare	109,269	97,827
	<hr/>	<hr/>
	3,416,187	3,501,886
	<hr/> <hr/>	<hr/> <hr/>

6. PROMOTIONAL ACTIVITIES

	2023	2022
	£	£
Advertising campaigns	15,432	22,309
National shows and events	131,595	212,585
Regional shows and events	349,091	403,604
Public affairs	350,273	402,774
Marketing and research	300,712	302,505
Digital services	69,950	18,683
	<hr/>	<hr/>
	1,217,053	1,362,460
	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

7. STAFF COSTS

	2023	2022
	£	£
Staff remuneration	19,579,501	19,051,836
Personnel costs (NIC, pension contributions, voluntary pensions and welfare, etc)	4,404,263	4,450,672
Staff recruitment and training	310,464	428,691
Staff expenses	1,174,645	1,049,963
Group secretary expenses	480,076	452,316
	<hr/>	<hr/>
	25,948,949	25,433,478
	<hr/> <hr/>	<hr/> <hr/>

8. LEGAL ASSISTANCE SCHEME

	2023	2022
	£	£
Grants to members	2,259,348	439,720
	<hr/> <hr/>	<hr/> <hr/>

9. ADMINISTRATIVE COSTS

	2023	2022
	£	£
Audit fees:		
NFU	28,170	26,960
NFU Services Limited	5,000	5,000
NFU Energy Limited	7,290	7,290
C T Planning Limited	3,260	3,260
Auditor's remuneration:		
Non-audit fees	28,230	9,350
Professional fees:		
Property	195,987	115,663
Pension administrative costs	173,501	150,229
Other	861,252	1,082,828
Printing and stationery	72,938	98,997
Telephone	301,183	255,389
Postage and carriage	67,211	86,341
Other	431,956	339,068
	<hr/>	<hr/>
	2,175,978	2,171,025
	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

10. ESTABLISHMENT COSTS

	2023	2022
	£	£
Repairs and maintenance:		
Property	261,791	247,379
Other	1,052,026	942,128
Depreciation	755,332	788,575
Deficit / (surplus) on disposal of fixed assets	(86,159)	(88,372)
Accommodation costs:		
Net rent	742,916	789,093
Rates	570,585	477,099
Light and heat	493,976	210,757
Health and safety	28,042	60,932
Other	427,016	399,730
General insurance costs	450,807	419,549
	<hr/>	<hr/>
	4,696,332	4,246,870
	<hr/> <hr/>	<hr/> <hr/>

11. STAFF NUMBERS

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

	2023	2022
	No.	No.
Headquarters	341	334
Regions	117	121
Group secretaries	359	376
	<hr/>	<hr/>
	817	831
	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

12. RETIREMENT BENEFIT OBLIGATIONS

GROUP & NFU		2023	2022
		£	£
Amounts recognised in the balance sheet			
Defined benefit pension scheme	a)	-	-
Private medical insurance scheme	b)	3,152,497	3,453,357
		3,152,497	3,453,357

a) Defined benefit scheme

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

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

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

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

The valuation has been based on the actuarial valuation at 30 June 2020 and updated by Barnett Waddingham LLP to take account of the requirements of FRS 102 in order to assess the liabilities of the scheme at 31 October 2023. Scheme assets are stated at their fair value at 31 October 2023.

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

	2023	2022
Discount rate	5.90%	5.05%
Inflation rate RPI	3.50%	3.45%
Inflation rate CPI	2.70%	2.65%
Salary increases	3.50%	3.45%
Revaluation in deferment	2.70%	2.65%
RPI pension increases	3.50%	3.45%

	2023	2022
Post retirement mortality assumption	S3MNA adjusted by 95% / S3NFA adjusted by 100% with CMI 2022 projections using a long term rate of improvement of 1.5% p.a.	S3MNA adjusted by 95% / S3NFA adjusted by 100% with CMI 2020 projections using a long term rate of improvement of 1.5% p.a.

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

12. RETIREMENT BENEFIT OBLIGATIONS (Continued)

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

The revaluation in deferment assumption is based on Consumer Price Index (CPI) inflation rather than RPI inflation. Unlike RPI, there is currently a limited market implied measure of CPI inflation. Historically, CPI has increased at a slower rate than RPI and it is generally accepted that differences in the make-up and calculation method used for the two indices mean that this is likely to continue in future. The assumption for CPI is set by deducting 0.8% pa from the RPI assumption (2022: 0.8% pa).

The discount rate assumption of 5.9% pa adopted is based on the yield on the iBoxx AA rated corporate bond yield curve with a duration of 11 years, which broadly matches the duration of the Scheme's liabilities (2022: 5.05% pa based on the yield on the iBoxx AA rated corporate bond yield curve with a duration of 12 years).

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

	2023	2022
	Years	Years
Male	22.5	23.1
Female	24.7	25.1

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

	2023	2022
	Years	Years
Male	24.1	24.7
Female	26.4	26.8

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

	2023	2022
	£	£
Net interest on the net defined benefit pension liability	<u>-</u>	<u>-</u>

Changes in the present value of the defined benefit obligation:

	2023
	£
Defined benefit obligation at 1 November 2022	68,075,202
Interest cost	(68,237)
Change in value of pensioner annuities	3,327,118
Experience loss on liabilities	1,145,741
Changes to demographic assumptions	(1,820,993)
Changes to financial assumptions	(5,624,011)
Benefits paid	(4,437,994)
	<hr/>
Defined benefit obligation at 31 October 2023	<u>60,596,826</u>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

12. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Changes in the fair value of scheme assets:

	2023
	£
Scheme assets at 1 November 2022	79,566,242
Interest income	3,907,416
Employer contributions	-
Return on plan assets (excluding net interest on the net defined benefit asset)	(9,828,374)
Changes in value of annuity asset	(68,237)
Benefits paid	(4,437,994)
	<hr/>
Scheme assets at 31 October 2023	69,139,053
	<hr/>

The actual return on scheme assets was -£5,989,195, including change in value of annuities – -8% (2022: -£33,900,967 – -29%).

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

	2023	2022
	Fair value	Fair value
	£	£
Equity	2,402,420	4,206,857
Bonds	49,883,885	69,022,327
Other	4,583,229	4,324,370
Cash	12,269,519	2,012,688
	<hr/>	<hr/>
	69,139,053	79,566,242
	<hr/>	<hr/>
	2023	2022
	£	£
Scheme assets	69,139,053	79,566,242
Scheme liabilities	(60,596,826)	(68,075,202)
	<hr/>	<hr/>
Asset ceiling restriction	8,542,227	11,491,040
	(8,542,227)	(11,491,040)
	<hr/>	<hr/>
Amount recognised in the balance sheet	-	-
	<hr/>	<hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

12. RETIREMENT BENEFIT OBLIGATIONS (Continued)

b) Private medical insurance scheme

The NFU operates a scheme which provides medical insurance for certain senior staff and office-holders, in employment and subsequently in retirement. As at 31 October 2023, 50 (2022: 54) retired individuals currently benefit and no others (2022: none) will be eligible upon retirement. As a result of changes in personnel policy and staff contracts, this benefit will not extend into retirement for new staff appointments made since 1994 and office-holder appointments made since 1996.

The valuation has been undertaken by Barnett Waddingham LLP to take account of the requirements of FRS 102 in order to assess the liability of the scheme at 31 October 2023.

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

	2023	2022
Discount rate	5.75%	5.50%
Increase in healthcare premiums	12.00%	12.00%

Movement in the private medical insurance scheme obligation:

	2023	2022
	£	£
At beginning of the year	(3,453,357)	(5,524,728)
Notional finance cost of private medical insurance scheme	(172,878)	(87,234)
Benefits paid	206,062	192,465
Actuarial gain	267,676	1,966,140
	<hr/>	<hr/>
Amount recognised in the balance sheet	(3,152,497)	(3,453,357)
	<hr/> <hr/>	<hr/> <hr/>

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

	2023	2022
	£	£
Net interest on the net defined benefit pension liability	-	-
Notional finance costs of private medical insurance scheme	172,878	87,234
	<hr/>	<hr/>
	172,878	87,234
	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

13. LEASING AGREEMENTS

As lessee:

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

	2023	2022
	£	£
Motor vehicles, office equipment, computer hardware and software	534,174	520,369
Land and buildings	541,771	621,808
	<u> </u>	<u> </u>

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

	2023	2022
	£	£
Motor vehicles, office equipment, computer hardware and software:		
Expiring within 1 year	282,815	293,667
Expiring between 2 and 5 years	463,527	361,822
Land and buildings:		
Expiring within 1 year	372,672	346,221
Expiring between 2 and 5 years	1,218,166	1,135,842
Expiring after 5 years	311,232	280,192
	<u> </u>	<u> </u>
	2,648,412	2,417,744
	<u> </u>	<u> </u>

As lessor:

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

	2023	2022
	£	£
Amounts receivable:		
In less than one year	2,185,961	2,218,134
In one to five years	8,237,994	8,262,020
After five years	14,606,250	16,656,250
	<u> </u>	<u> </u>
	25,030,205	27,136,404
	<u> </u>	<u> </u>

The operating leases represent rental of properties to third parties. These are negotiated over terms of 1 to 20 years (2022: 1 to 20 years) and rentals are fixed for 1 to 20 years (2022: 1 to 20 years).

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

14. TAXATION

The taxation charge is made up as follows:

	2023	2022
	£	£
UK Corporation tax	(4,144)	416,979
Adjustments in respect of prior year	(321,850)	(170,349)
	<hr/>	<hr/>
Current tax charge	(325,994)	246,630
Deferred tax:		
Timing differences, origination and reversal	195,273	20,009
Pension scheme liability	-	-
Fair value gains	(75,470)	(6,076,986)
Other timing differences	(144,632)	3,424
	<hr/>	<hr/>
	(24,829)	(6,053,553)
	<hr/>	<hr/>
Total tax (credit) / charge	(350,823)	(5,806,923)
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting the tax charge for the year:

	2023	2022
	£	£
Surplus on ordinary activities before taxation (and after fair value gains)	(2,721,304)	(23,198,075)
	<hr/>	<hr/>
Tax at 22.5% (2022: 19%) thereon	(612,293)	(4,407,634)
<i>Effects of:</i>		
Chargeable disposals	264,994	(124,463)
Expenses not deductible for tax purposes	38,378	559,885
Capital allowances in excess of depreciation	7,700	(25,508)
Dividend income	(292,211)	(202,546)
Loss carried back	381,471	-
Other tax adjustments	30,474	64,054
Adjustments in respect of prior year	(150,083)	(170,349)
Group relief	-	(47,203)
Effects of changes in tax rates	(19,253)	(1,453,159)
	<hr/>	<hr/>
Total tax (credit) / charge	(350,823)	(5,806,923)
	<hr/> <hr/>	<hr/> <hr/>

Factors that may affect future tax charges

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

THE NATIONAL FARMERS' UNION

**NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2023**

15. **INTANGIBLE ASSETS**

GROUP

	Goodwill £	Software £	Total £
<i>Cost</i>			
At 1 November 2022	3,150,608	49,894	3,200,502
Additions	-	350,855	350,853
Revaluation	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 October 2023	3,150,608	400,749	3,551,357
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Amortisation</i>			
At 1 November 2022	2,902,736	29,405	2,932,141
Charge for the year	50,934	-	50,934
Disposal	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 October 2023	2,953,670	29,405	2,983,075
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Net book value</i>			
At 31 October 2023	196,938	371,344	568,282
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 October 2022	247,872	20,489	268,361
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NFU

	Goodwill £	Software £	Total £
<i>Cost</i>			
At 1 November 2022	-	-	-
Additions	-	350,856	350,856
	<hr/>	<hr/>	<hr/>
At 31 October 2023	-	350,856	350,856
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Amortisation</i>			
At 1 November 2022	-	-	-
Charge for the year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 October 2023	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Net book value</i>			
At 31 October 2023	-	350,856	350,856
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 October 2022	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2020

16. TANGIBLE FIXED ASSETS

GROUP	Freehold	Leasehold	Furniture	Total
	Property	Property	Equipment	
	£	£	and Vehicles	£
<i>Cost</i>				
At 1 November 2022	4,901,232	14,261,731	4,616,657	23,779,620
Additions	-	3,077	538,014	541,091
Disposals	(60,000)	-	(4,724)	(64,724)
	<u>4,841,232</u>	<u>14,264,808</u>	<u>5,149,947</u>	<u>24,255,987</u>
At 31 October 2023	4,841,232	14,264,808	5,149,947	24,255,987
	<u>4,841,232</u>	<u>14,264,808</u>	<u>5,149,947</u>	<u>24,255,987</u>
<i>Accumulated depreciation</i>				
At 1 November 2022	1,094,936	3,917,012	3,850,895	8,862,843
Charge for the year	127,500	256,034	386,283	769,817
Eliminated on disposal	(7,620)	-	(4,024)	(11,644)
Impairment	-	-	-	-
	<u>1,214,816</u>	<u>4,173,046</u>	<u>4,233,154</u>	<u>9,621,016</u>
At 31 October 2023	1,214,816	4,173,046	4,233,154	9,621,016
	<u>1,214,816</u>	<u>4,173,046</u>	<u>4,233,154</u>	<u>9,621,016</u>
<i>Net book value</i>				
At 31 October 2023	3,626,416	10,091,762	916,793	14,634,971
	<u>3,626,416</u>	<u>10,091,762</u>	<u>916,793</u>	<u>14,634,971</u>
At 31 October 2022	3,806,296	10,344,719	765,762	14,916,777
	<u>3,806,296</u>	<u>10,344,719</u>	<u>765,762</u>	<u>14,916,777</u>
	<u>3,806,296</u>	<u>10,344,719</u>	<u>765,762</u>	<u>14,916,777</u>
NFU				
	Freehold	Leasehold	Furniture	Total
	Property	Property	Equipment	
	£	£	and Vehicles	£
<i>Cost</i>				
At 1 November 2022	4,901,232	14,222,864	4,489,239	23,613,335
Additions	-	-	490,519	490,519
Disposals	(60,000)	-	(4,724)	(64,724)
	<u>4,841,232</u>	<u>14,222,864</u>	<u>4,975,034</u>	<u>24,039,130</u>
At 31 October 2023	4,841,232	14,222,864	4,975,034	24,039,130
	<u>4,841,232</u>	<u>14,222,864</u>	<u>4,975,034</u>	<u>24,039,130</u>
<i>Accumulated depreciation</i>				
At 1 November 2022	1,094,936	3,897,953	3,771,800	8,764,689
Charge for the year	127,500	250,205	354,003	731,708
Disposals	(7,620)	-	(4,024)	(11,644)
	<u>1,214,816</u>	<u>4,148,158</u>	<u>4,121,779</u>	<u>9,484,753</u>
At 31 October 2023	1,214,816	4,148,158	4,121,779	9,484,753
	<u>1,214,816</u>	<u>4,148,158</u>	<u>4,121,779</u>	<u>9,484,753</u>
<i>Net book value</i>				
At 31 October 2023	3,626,416	10,074,706	853,255	14,554,377
	<u>3,626,416</u>	<u>10,074,706</u>	<u>853,255</u>	<u>14,554,377</u>
At 31 October 2022	3,806,296	10,324,911	717,439	14,848,646
	<u>3,806,296</u>	<u>10,324,911</u>	<u>717,439</u>	<u>14,848,646</u>
	<u>3,806,296</u>	<u>10,324,911</u>	<u>717,439</u>	<u>14,848,646</u>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

17. FIXED ASSET INVESTMENTS

GROUP AND NFU

Investment property	£
Fair value at 1 November 2022	51,793,304
Revaluation	(950,000)
	<hr/>
Fair value at 31 October 2023	50,843,304
	<hr/> <hr/>

The commercial Knightsbridge investment properties were valued on a fair value basis at £45,550,000 (2022: £46,500,000) on 31 October 2023 by Hutchinson Morrison Childs, Chartered Surveyors, using the income and investment method of valuation. The carrying value of non-commercial Knightsbridge properties is £3,258,900 (2022: £3,258,900), based upon an officers' valuation as at 31 October 2023 (following an independent valuation by Chestertons, Chartered Surveyors, as at 31 October 2022). The historical cost of all Knightsbridge properties at 31 October 2023 was £11,705,554 (2022: £11,705,554).

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

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

The NFU also holds certain freehold properties in order to fulfil its commercial and representational needs. A proportion of those properties are held solely for the purposes of earning rental income. In accordance with FRS 102, the proportion of the properties' total fair value that is held for earning rental income is classified on the balance sheet as investment property. The carrying value of these properties at the balance sheet date is £2,117,404 (2022: £2,117,404), based upon an officers' valuation as at 31 October 2023 (following an independent valuation by Knight Frank as at 31 December 2018). The historical cost of these properties at 31 October 2023 was £2,232,930 (2022: £2,232,930).

GROUP

Other fixed asset investments	Listed investments £
<i>Fair value</i>	
At 1 November 2022	80,800,200
Purchases	10,552,019
Revaluation	1,070,044
Disposals	(10,720,573)
	<hr/>
<i>Carrying amount</i>	
At 31 October 2023	81,701,690
	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

17. FIXED ASSET INVESTMENTS (Continued)

NFU

Other fixed asset investments	Listed investments £	Investment in subsidiary £	Total £
<i>Fair value/cost</i>			
At 1 November 2022	80,800,200	750,000	81,550,200
Purchases	10,552,019	-	11,302,019
Revaluation	1,070,044	-	1,070,044
Disposals	(10,720,573)	-	11,470,573
<i>Carrying amount</i>			
At 31 October 2023	81,701,690	750,000	82,451,690

The listed investments at fair value have an historical cost of £57,683,976 (2022: £57,059,238).

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

- NFU Commercial Holdings Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company provides membership services. Its principal place of business is Agriculture House, Stoneleigh Park, Kenilworth, Warwickshire, CV8 2TZ.
- NFU Services Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company provides membership services. Its principal place of business is Agriculture House, Stoneleigh Park, Kenilworth, Warwickshire, CV8 2TZ.
- NFU Energy Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company provides energy consultancy services. Its principal place of business is 10th Street, Stoneleigh, Kenilworth, Warwickshire, CV8 2LS.
- FEC Energy Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company was incorporated on 22 January 2019 and remains dormant. Its principal place of business is Agriculture House, Stoneleigh Park, Kenilworth, Warwickshire, CV8 2TZ.
- C T Planning Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company was acquired on 4 December 2020 and provides planning advisory services. Its principal place of business is Three Spires House, Station Road, Lichfield, WS13 6HX.

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

18. DEBTORS

GROUP	2023	2022
	£	£
Amounts paid in advance	2,510,635	2,822,406
Trade debtors	902,633	825,441
Amounts due from affiliated entities	7,974	10,968
Corporation tax	384,413	-
VAT debtor	-	87,949
Other debtors	897,685	952,334
	<hr/>	<hr/>
	4,703,340	4,699,098
	<hr/> <hr/>	<hr/> <hr/>
NFU	2023	2022
	£	£
Amounts paid in advance	2,395,100	2,724,406
Trade debtors	307,852	270,642
Amounts due from subsidiaries	2,398	7,774
Amounts due from affiliated entities	7,974	10,968
Corporation tax	555,478	-
VAT debtor	-	87,949
Other debtors	633,388	770,686
	<hr/>	<hr/>
	3,902,190	3,872,425
	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

**NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2023**

19. **CASH AND CASH EQUIVALENTS**

GROUP	2023	2022
	£	£
Cash at bank and in hand	1,949,832	3,545,745
Bank overdrafts	(690,587)	-
	<hr/>	<hr/>
Cash and cash equivalents in statement of cash flows	1,259,245	3,545,745
	<hr/> <hr/>	<hr/> <hr/>

NFU	2023	2022
	£	£
Cash at bank and in hand	669,631	2,254,193
Bank overdrafts	(690,587)	-
	<hr/>	<hr/>
Cash and cash equivalents in statement of cash flows	(20,956)	2,254,193
	<hr/> <hr/>	<hr/> <hr/>

ANALYSIS OF NET DEBT:

GROUP	At 1 November 2022	Cash flow	Transfers	At 31 October 2023
	£	£	£	£
<i>Net cash:</i>				
Cash at bank and in hand	3,545,745	(1,595,913)	-	1,949,832
Bank overdrafts	-	(690,587)	-	(690,587)
	<hr/>	<hr/>	<hr/>	<hr/>
	3,545,745	(2,286,500)	-	1,259,245
<i>Debt:</i>				
Debt due within 1 year	-	-	-	-
Debt due after 1 year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net (debt) / funds	3,545,745	(2,286,500)	-	1,259,245
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP	2023	2022
	£	£
Bank overdrafts	690,587	-
Trade creditors	1,969,942	1,970,911
Amounts due to branches	17,256	17,256
Amounts due to affiliated entities	305,144	271,983
Corporation tax	-	211,785
Other taxes and social security	888,756	1,066,425
Other creditors and accruals	4,179,252	4,335,946
	<u>8,050,937</u>	<u>7,874,306</u>
	<u><u>8,050,937</u></u>	<u><u>7,874,306</u></u>
NFU	2023	2022
	£	£
Bank overdrafts	690,587	-
Trade creditors	1,913,070	1,927,008
Amounts due to subsidiaries	1,798,956	1,349,125
Amounts due to branches	17,256	17,256
Amounts due to affiliated entities	305,144	271,983
Corporation tax	-	149,230
Other taxes and social security	642,558	813,614
Other creditors and accruals	4,020,894	4,140,863
	<u>9,388,465</u>	<u>8,669,079</u>
	<u><u>9,388,465</u></u>	<u><u>8,669,079</u></u>

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

21. FINANCIAL INSTRUMENTS

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

GROUP AND NFU	2023	2022
	£	£
Financial assets:		
Listed investments measured at fair value through surplus or deficit in the Statement of Comprehensive Income	81,701,690	80,800,200
	<u>81,701,690</u>	<u>80,800,200</u>
	<u><u>81,701,690</u></u>	<u><u>80,800,200</u></u>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

22. DEFERRED INCOME

GROUP	Subscriptions received in advance £	Contributions from NFU Mutual £	Total £
At 1 November 2022	2,431,185	1,135,000	3,566,185
Received during the year	2,559,580	1,174,500	3,734,080
Released to profit during the year	(2,431,185)	(1,135,000)	(3,566,185)
	<hr/>	<hr/>	<hr/>
At 31 October 2023	2,559,580	1,174,500	3,734,080
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
NFU	Subscriptions received in advance £	Contributions from NFU Mutual £	Total £
At 1 November 2022	2,245,831	1,135,000	3,380,831
Received during the year	2,379,718	1,174,500	3,554,218
Released to profit during the year	(2,245,831)	(1,135,000)	(3,380,831)
	<hr/>	<hr/>	<hr/>
At 31 October 2023	2,379,718	1,174,500	3,554,218
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

**NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2023**

23. PROVISIONS FOR LIABILITIES

GROUP

	Legal assistance scheme grants £	Dilapidation provisions £	Contingent consideration £	Deferred tax £	Total £
At 1 November 2022	1,343,559	604,124	109,174	14,343,275	16,400,132
Provisions made during the year	2,685,857	-	-	-	2,685,857
Utilised in the year	(2,075,207)	(39,574)	(109,174)	-	(2,223,955)
Transfer from the Statement of Comprehensive Income	-	-	-	(24,829)	(24,829)
	<u>1,954,209</u>	<u>564,550</u>	<u>-</u>	<u>14,318,446</u>	<u>16,837,205</u>
At 31 October 2023	<u>1,954,209</u>	<u>564,550</u>	<u>-</u>	<u>14,318,446</u>	<u>16,837,205</u>

NFU

	Legal assistance scheme grants £	Dilapidation provisions £	Deferred tax £	Total £
At 1 November 2022	1,343,559	604,124	14,329,401	16,277,084
Provisions made during the year	2,685,857	-	-	2,685,857
Utilised in the year	(2,075,207)	(39,574)	-	(2,114,781)
Transfer from Statement of Comprehensive Income	-	-	(24,829)	(24,829)
	<u>1,954,209</u>	<u>564,550</u>	<u>14,304,572</u>	<u>16,823,331</u>
At 31 October 2023	<u>1,954,209</u>	<u>564,550</u>	<u>14,304,572</u>	<u>16,823,331</u>

Legal assistance scheme grants

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

Dilapidation provisions

This represents estimated amounts arising from obligations under property leases. It is anticipated that the rectification works will be carried out during the 2023/24 and 2024/25 financial years.

Contingent consideration

This represented the amounts due in respect of the acquisition of C T Planning Limited. The amounts were payable by 28 February 2023 and were dependent upon the trading results of CT Planning Limited for the 24-month financial period ended 31 October 2022. The consideration was settled during the year.

THE NATIONAL FARMERS' UNION

**NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2023**

24. **DEFERRED TAX**

GROUP

	Defined benefit pension scheme £	Fair value gains £	Accelerated capital allowances £	Other timing differences £	Total £
At 1 November 2022	-	12,673,864	1,710,101	(40,690)	14,343,275
Transfer from Statement of Comprehensive Income	-	(75,474)	195,273	(144,628)	(24,829)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2023	-	12,598,390	1,905,374	(185,318)	14,318,446
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NFU

	Defined benefit pension scheme £	Fair value gains £	Accelerated capital allowances £	Other timing differences £	Total £
At 1 November 2022	-	12,673,864	1,693,493	(37,956)	14,329,401
Transfer from Statement of Comprehensive Income	-	(75,474)	195,273	(144,628)	(24,829)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2023	-	12,598,390	1,888,766	(182,584)	14,304,572
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

25. **RESERVES**

Accumulated fund

The accumulated fund represents the cumulative surplus excluding revaluation reserves.

Revaluation reserve – listed investments

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

Revaluation reserve – investment property

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

THE NATIONAL FARMERS' UNION

**NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2023**

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

GROUP	2023	2022
	£	£
(Deficit) / Surplus on ordinary activities after tax	(2,370,481)	(17,391,152)
Depreciation of tangible fixed assets	769,817	947,562
Amortisation of intangible assets	50,934	557,892
Loss on disposal of intangible fixed assets	-	57,504
Loss on disposal of tangible fixed assets	53,080	-
Deficit on disposal of investments	(271,126)	(163,886)
Fair value (losses)/gains on fixed asset investments	(120,044)	20,642,808
Decrease in retirement benefit obligations	(33,184)	(105,231)
Decrease in pension liabilities	-	-
Property rental income (net)	(2,430,378)	(2,386,623)
Interest on term deposits	(125,776)	(36,977)
Dividends and other investment income	(1,747,518)	(1,405,616)
Investment fees	384,411	392,015
Taxation	(431,027)	(6,320,905)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(3,900,811)	12,178,543
Decrease/(increase) in trade and other debtors	380,171	(92,375)
(Decrease)/Increase in trade and other creditors	(302,171)	1,039,389
Increase/(decrease) in deferred income	167,895	15,529
Increase/(decrease) in provisions	571,076	(580,962)
	<hr/>	<hr/>
Cash used in operations	(5,454,321)	(4,831,028)
	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

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

NFU	2023 £	2022 £
Surplus on ordinary activities after tax	(2,952,556)	(17,208,848)
Depreciation of tangible fixed assets	731,708	763,212
(Gain)/deficit on disposal of fixed assets	53,080	62,021
(Gain)/deficit on disposal of investments	(271,126)	(163,886)
Fair value (losses)/gains on fixed asset investments	(120,044)	20,642,808
Decrease in retirement benefit obligations	(33,184)	(105,231)
Decrease in pension liabilities	-	-
Property rental income (net)	(2,430,378)	(2,386,623)
Interest on term deposits	(105,483)	(35,533)
Dividends and other investment income	(1,747,518)	(1,405,616)
Investment fees	384,411	392,015
Taxation	(539,537)	(6,409,220)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(7,030,627)	11,353,947
Decrease in trade and other debtors	525,713	81,509
Increase/(decrease) in trade and other creditors	178,029	1,338,724
Increase/(decrease) in deferred income	173,387	21,079
Increase/(decrease) in provisions	571,076	(580,962)
	<hr/>	<hr/>
Cash used in operations	(5,582,422)	(4,994,551)
	<hr/> <hr/>	<hr/> <hr/>

27. RELATED UNDERTAKINGS

The related undertakings of the NFU are as follows:

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

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

27. RELATED UNDERTAKINGS (continued)

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

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

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

NFU Trust Co Ltd	Non-trading trust Company	100%
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28. RELATED PARTY TRANSACTIONS

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

Administration fees charged to related parties in the year were:

	2023	2022
	£	£
(i) NFU Beet Growers Account Administration fees and salaries charged to Beet Growers	692,782	613,723
(ii) Pig Disease Eradication Fund Ltd Administration fees charged to Pig Disease Eradication Fund Ltd	2,000	2,000

The NFU loaned an amount of £Nil (2022: £Nil loaned) to NFU Beet-Growers.

At 31 October 2023, the following balances were due to and from related parties:

	2023	2022
	£	£
(i) NFU Beet Growers Account Amounts owed to the NFU	7,974	10,968
(ii) Pig Disease Eradication Fund Ltd Amounts owed to the NFU	-	-

At 31 October 2023, £337,404 (2022: £332,736) was being held on behalf of The Cornwall NFU Company Limited by the NFU.

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

Remuneration paid to key management personnel during the year amounted to £914,602 (2022: £1,005,355). Key Management Personnel are defined as the Officers of the NFU and members of the NFU Governance and Food, Farming and Environment Boards.

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

29. LEGAL FUND

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

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

Separate detailed accounts are provided to the Legal Board of the NFU which has responsibility for the administration of the Legal Fund. In summary, the transactions of the fund in the year ended 31 October 2023 were as follows:

	£	2023 £	£	2022 £
Income and expenditure account:				
Income				
Members' subscriptions		1,417,432		1,399,678
Operating costs				
Grants to members *	2,259,348		439,720	
Administration costs	558,366		356,891	
		<u>(2,817,714)</u>		<u>(796,611)</u>
Operating (deficit) / surplus		(1,400,282)		603,067
Investment activities				
Interest on term deposits	42,397		26,281	
Dividend and other investment income	409,257		186,546	
Investment fees	(50,519)		(52,684)	
Surplus on investment activities		<u>401,135</u>		<u>160,143</u>
(Deficit) / surplus on ordinary activities before fair value movements and taxation		(999,147)		763,210
Fair value gains/(losses) on revaluation of listed investments		<u>62,647</u>		<u>(2,277,504)</u>
Surplus on ordinary activities after fair value movements and before taxation		(936,500)		(1,514,294)
Taxation credit/(charge)		<u>250,001</u>		<u>456,974</u>
(Deficit) / Surplus on ordinary activities after taxation		(686,499)		(1,057,320)
Total reserves brought forward		<u>12,684,079</u>		<u>13,741,399</u>
Total reserves carried forward		<u>11,997,580</u>		<u>12,684,079</u>

* Grants to members of £2,259,348 (2022: £439,720) is presented net of both grants awarded to members of £2,685,857 (2022: £1,457,248) and grants withdrawn/no longer required of £426,509 (2022: £1,017,528).

THE NATIONAL FARMERS' UNION

NOTES TO THE CONSOLIDATED ACCOUNTS YEAR ENDED 31 OCTOBER 2023

29. LEGAL FUND (Continued)

	2023	2022
	£	£
Represented by:		
Fixed assets:		
Listed investments at market value (cost: £11,081,196, 2022: £10,895,598)	13,978,637	13,978,684
	<hr/>	<hr/>
Current assets:		
Amount due from NFU General Fund	110,687	288,503
Corporation tax recoverable	238,003	-
Other debtors	10,295	10,295
Cash and cash equivalents	483,854	854,224
	<hr/>	<hr/>
	842,839	1,153,022
	<hr/>	<hr/>
Current liabilities:		
Other creditors	(25,398)	(247,326)
	<hr/>	<hr/>
Deferred income:		
Deferred income	(101,537)	(101,992)
	<hr/>	<hr/>
Provisions:		
Grants payable	(1,954,209)	(1,343,559)
Deferred taxation	(742,752)	(754,750)
	<hr/>	<hr/>
Total reserves	11,997,580	12,684,079
	<hr/> <hr/>	<hr/> <hr/>