

THE NATIONAL FARMERS' UNION

FINANCIAL STATEMENTS

31 OCTOBER 2024

THE NATIONAL FARMERS' UNION

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THE NATIONAL FARMERS' UNION

OFFICERS AND PROFESSIONAL ADVISERS

OFFICERS

TW Bradshaw	President
DJ Exwood	Deputy President
RL Hallos	Vice President
AR Jones	President of NFU Cymru

NFU GOVERNANCE BOARD

TW Bradshaw	President
DJ Exwood	Deputy President
RL Hallos	Vice President
AR Jones	President of NFU Cymru
TJ Jones	Director General
MHS Sly	Chair, Sugar
PD Tompkins	Chair, Dairy
JD Mottershead	Chair, Poultry
AG Clifton-Holt	Chair, East Region
AR Munt	Chair, South Region

FOOD, FARMING AND ENVIRONMENT BOARD

TW Bradshaw	President
DJ Exwood	Deputy President
RL Hallos	Vice President
AR Jones	President of NFU Cymru
MHS Sly	Chair, Sugar
D Barton	Chair, Livestock
J Burrows	Chair, Combinable Crops
PD Tompkins	Chair, Dairy
JD Mottershead	Chair, Poultry
M Emmett	Chair, Horticulture & Potatoes
R Mutimer	National Pig Association

SECRETARY OF THE NFU

STK Richards LLB (Hons), FCG

BANKERS

HSBC Bank plc
Penman Way
Grove Park, Enderby
Leicester
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AUDITOR

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REGISTERED OFFICE

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FINANCIAL REPORT

The officers present their annual report on the affairs of the NFU, together with the accounts for the year ended 31 October 2024.

It has been another difficult year for the industry, with unpredictable weather continuing to put pressure on farming yields, the replacement of the Basic Payment Scheme (BPS) with delinked payments and the Sustainable Farming Incentive (SFI) scheme as the government transition to Environmental Land Management schemes (ELMs). Consequently, average farm business income is down to its lowest level in almost 10 years.

While CPI inflation has fallen closer to the Bank of England's target rate and interest rates are gradually falling, farm business performance and confidence are at their lowest causing 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, with income increasing above inflation and a strong focus on cost controls.

Economic and political uncertainty, including ongoing global conflicts, continued to affect investment market sentiment and as a result volatility remained prevalent throughout the financial year and is expected to continue in the short term, the market was however more settled and as a result investment values increased significantly with the most positive returns this year from a demand surge for artificial intelligence software and ecommerce company shares. Performance is ahead of target over the longer term and our balance sheet remains in a strong position.

Consolidated comprehensive income for the year was £12.2m (2023: £2.1m net expenditure) and consolidated balance sheet reserves increased by £12.2m to £134.8m (2023: £122.6m). While the NFU has a healthy reserves position, which has been achieved through prudent medium-term planning, there is concern over funding in future years which is likely to be less than our anticipated cost increases, so there is a possibility that reserves will need to be called upon to meet our financial obligations in the future.

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 include the NFU General Fund, the NFU Legal Fund, and the NFU's commercial subsidiary companies. During the year three new planning businesses were acquired to grow the commercial group's profit contribution as part of a strategy to reduce the NFU Group's deficit.

In January 2024, 100% of the ordinary shares of Acorus Rural Property Services Limited was acquired, a planning, surveying and architectural design company based in Exeter and Bury St Edmonds.

In February 2024, 100% of the ordinary shares of PWA Planning Group Limited was acquired, a planning consultancy particularly for housing associations, with a specialist energy consultancy, Energy Planning Limited, which should achieve synergies with NFU Energy Limited.

In March 2024, 100% of the trade and assets of Woolf Bond Planning LLP and WB Planning LLP were acquired, a high-end planning consultancy based in Reading. The operations were immediately transferred to a new company, Woolf Bond Planning Limited.

The NFU Group showed an operating deficit of £4.2m (2023: £6.5m 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 £0.1m (2023: £2.8m deficit) for the year.

Group consolidated comprehensive income for the year is £12.2m (2023: £2.1m net expenditure). The year-on-year variance is primarily due to an £12m increase in the value of listed investments this year and an £1.3m increase in net cash offset by an £1.2m increase in net liabilities.

Members' subscriptions and related income has increased by £5.7m to £41.5m (2023: £35.8m). Within this, the actual subscription income has increased to £20.8m (2023: £19.9m). As at 31 October 2024, NFU core membership stood at 48,938 (2023: 50,505). The reduction in members was largely due to contraction in the industry and

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affordability amongst the smaller farmers with increasing pressure being faced by members.

The NFU Mutual's contribution increased to £7.3m (2023: £7.0m), our long standing relationship with the NFU Mutual remains extremely important to us and we place immense value on their support.

NFU Commercial Group income increased to £9.2m (2023: £4.7m), with a £4.1m contribution from the three new planning businesses acquired in the year.

Group consolidated operating costs increased to £45.7m (2023: £42.3m), with £3.5m of the increase from the operations of the acquisitions added in the year (including acquisition costs), and while NFU core operational staff costs, member representation and promotional activity costs also increased there were significant cost savings in administrative and office expenditure as we continue to focus on controlling our costs.

Investments and Property

The value of our listed investments increased to £90.4m (2023: £81.7m) despite withdrawing £4.2m (2023: nil) during the year to fund working capital. Performance outperformed against our benchmark in the year and is expected to meet targets over the longer term despite expected annual withdrawal. The fair value gain for the year of £12.6m (2023: £1.1m gain) is reflected in the Statement of Comprehensive Income.

Dividends and other investment income amounted to £2.3m (2023: £1.7m) 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 (2023: £2.5m).

Knightsbridge investment properties increased in value by £3.3m to £52.1m (2023: £48.8m). They were valued by Hutchinson Morrison Childs as at 31 October 2024 with the exception of 1 & 2 Old Barrack Yard, which are based upon an independent valuation by Chestertons, Chartered Surveyors (valued as at 31 October 2022).

The West End investment market remained subdued due to economic headwinds and higher investment yields, which continued to have a negative effect on the property market, particularly with the higher value properties. Compared to last year however, values have slightly improved due to a combination of strengthening rentals and downward pressure on yields, with prime headline rents for best in class new offices across the West End edging upwards in the last 12 months setting the benchmark on rents. Our independent valuers predict that during the next 12 months, this will continue with new developments, which are sustainable and energy efficient.

Investor demand is focused on core assets, those located in prime sub districts with strong ESG credentials and providing long term secure income, and "value add" properties having the potential for "repositioning" by investment in upgrading and having strong leasing potential. This provides confidence in the Knightsbridge investment 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.

The NFU holds other investment properties, these were valued by chartered surveyors Knight Frank as at 31 October 2024 at £4.3m (2023: £2.0m).

Post-retirement Benefits

Staff Pension Scheme

The NFU Staff pension scheme valuation at 31 October 2024 was a surplus of £6.6m (2023: £8.5m surplus). Overall there was a net £1.9m reduction in the surplus as the scheme's assets increased by £1.6m however the scheme's liabilities increased by £3.5m.

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 made the judgement that the surplus cannot be recognised on the balance sheet and applied an asset ceiling restricting the surplus to £nil (2023: £nil). 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 there has been a fall in corporate bond yields which has reduced the discount rate assumption and in turn increased the value placed on the scheme's liabilities however the scheme's assets have increased by more than expected predominantly due to the scheme's protection assets moving in line with gilt

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yields which fell over the period.

To some extent the increase in the scheme's liabilities were offset by other factors that had the effect of reducing the value placed on the scheme's liabilities. These factors were i) a fall in inflation assumption, ii) a reduction in the commutation factors over the period, and iii) updated mortality assumption with slightly decreased life expectancies.

Private Medical Insurance Scheme

During the year the Private Medical Insurance Scheme ("PMI") provision increased by £1.0m to £4.2m (2023: £3.2m). The main reasons for this are that the changes in the financial and demographic assumptions used have increased the value placed on the liabilities, particularly changes in market conditions but the majority of the increase was due to the average actual premium inflation, in excess of age-related increases, being higher than the 12% per annum assumed, in particular, there was an increase in average Healix premiums of c.64% and an average increase in the BUPA rates of c.0.3% (calculated by 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 NFU's activities expose it to many types of business risk as well as the wider risks to the farming economy as a whole. A risk register is reviewed and approved by the Governance Board annually and reviewed twice a year by the Audit and Remuneration Committee.

Our financial, investment and other strategies seek to mitigate risk wherever practical and possible, for instance the property and investment portfolio is well diversified between real estate and listed investments and 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 different styles and asset allocations.

Our operational 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 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.

The principal financial 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 commercial companies. Contraction in agriculture and horticulture is a high risk to membership income particularly since the Autumn Budget 2024 announcements on the planned changes to inheritance taxes from April 2026 and increases to employers National Insurance from April 2025, coupled with a faster than expected phase-out of direct payments. These changes exacerbate the pressures on members' income and costs, adding to existing challenges faced from shortages of labour, high wage inflation, and increased farm input costs, which can be a challenge to recover, meaning that the outlook for many farm businesses can look uncertain.

Energy and Carbon Reporting

We continue to report our greenhouse gas (GHG) emissions 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 2024, aligned to our financial year ending 31 October 2024, and outlines the energy efficiency measures that have been introduced to minimise our emissions.

In 2024, the following changes occurred which should be noted when comparing the results for 2024 against 2023:

- The NFU vacated seven regional offices at the end of 2023 and consolidated into four smaller, regional hubs. This reduced 2024's building energy consumption.
- Three new planning companies were acquired this year, their energy usage has been included in the NFU Group's total figures from the dates of acquisition. This increased 2024's vehicle fuel consumption due to a greater number of employees driving on company business.

The NFU is committed to carbon reduction and is pleased to report a 3% reduction in emissions compared to 2023, despite additional energy usage from businesses acquired during the year. Natural gas, diesel, burning oil, heating oil and electricity import energy consumption decreased compared to 2023. Petrol use increased, along with hybrid

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and electric vehicle contribution, however, total business energy consumption decreased by 6%.

Methodology

Greenhouse Gas emissions are quantified and reported according to the Greenhouse Gas Protocol. Energy consumption data has been collated, totalised, and converted into CO₂ equivalent using UK Government GHG Conversion Factors for Company Reporting 2024, published annually by DESNZ to facilitate calculation of greenhouse gas emissions from corresponding activities.

NFU Energy reviewed utility invoices and mileage for all vehicles used 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 this reporting year, with estimation where actual data was not available. Comparison is made with last year's SECR reporting year, Financial Year 2023 (1 November 2022 to 31 October 2023), which is known as a rolling base year under SECR guidance.

Intensity Ratio

Calculating emissions intensity using membership numbers is considered best to represent the scale of the business, although this will be reviewed in 2025 to assess if there is a better measure which aligns closer with our consumption and emissions.

Reporting Boundaries and Limitations

The GHG sources that constitute the NFU's 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.

We 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, Officers consider using estimations based on available data surrounding the period has been deemed a sensible alternative.

- Where start or end meter readings were not available then estimates for consumption have been made based on data for months that were available, and/or the desired date interpolated between the available dates.
- Two of the NFU Regional Hubs, London and Leeds, do not have energy consumption data to be reported on, but we have utilised their historic and current Energy Performance Certificate (EPC) kWh/m²/year values and applied them to their contracted m² office space, respectively. Where newer reports are available, the updated EPC values have been used for the reporting months from their valid from date.
- Where no consumption data was available at all, we have utilised the building EPC value and the contracted floor space for appropriate periods that each EPC covers.
- Consumption of burning oil has been deduced from delivered volumes and dates. Assuming all that is delivered is used.
- Published vehicle emissions data in gCO₂/km has had an uplift applied to represent real-world conditions, using factors published in July 2024 by DESNZ, listed in Table 1.
- The uplift depends on the age of the vehicle, with 2024 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.

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Uplift%	10.8%	11.9%	13.0%	15.7%	18.3%	21.0%	23.6%	26.3%	27.6%	29.0%	33.3%
Year		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Uplift%		41.5%	38.0%	31.5%	31.5%	31.5%	21.7%	21.8%	22.2%	22.3%	0.0%

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- In the case of hybrid electric vehicles, we have used the methodology outlined by DESNZ in the conversion factor tables. All hybrid and electric vehicles have been assumed as 'Average' cars, in absence of more detailed information.
- In general, business-only vehicle fuel consumption data is not available at present, so energy and carbon have been computed from DVLA gCO₂/km emissions factors for individual vehicles.
- Fuel litres has been calculated using business mileage records, gCO₂e/km and kgCO₂e/litre, so energy consumed has been calculated from these vehicle-based values 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

A rolling base year has been utilised for the comparison of energy consumption and CO₂ emissions. Data from the previous financial year, 2022/23 (presented as 2023), has been compared to the current financial year, 2023/24 (presented as 2024), and the changes in emissions identified.

The NFU's largest energy consumption contributors are road fuels, followed by grid imported electricity and burning oil, used for office heating. Energy usage and CO₂ emissions are shown in Table 2.

	Energy Type	2023 Energy kWh	2023 Emissions tCO ₂ e	2024 Energy kWh	2024 Emissions tCO ₂ e	Change in usage
Scope 1 Direct	Road Fuels	929,032	216.6	1,252,401	288.8	Increased
	Natural Gas	415,576	68.2	152,039	27.8	Decreased
	Heating Oil	31,794	8.2	0	0	Decreased
	Burning Oil	275,830	68.1	275,632	68.0	Decreased
Scope 2 Indirect	Grid Electricity (Import)	930,913	192.8	729,023	151	Decreased
	Solar Electricity (Consumption)	66,782	0.0	33,059	0.0	Decreased
	Total	2,607,137	553.7	2,442,154	535.6	Decreased

Total CO₂ emissions have decreased by 3% compared to 2023. This is a result of several new strategies that have been introduced to reduce our emissions this year, including the reduction of regional offices from seven to four, from November 2023 that contributed significantly towards the reduction in the amount of electricity used.

Energy Efficiency Improvements

The NFU's agile way of working has continued in FY 2024, but the carbon impact of home working is not required to be reported due to it being a Scope 3 activity. Improvements to building operations for days when most staff are working from home continue to be implemented and have a positive effect on reducing energy usage and emissions from use of buildings.

The NFU continues to seek new ways of reducing energy consumption within the organisation. During this reporting year the following energy efficiency improvements have been implemented or explored:

- Most of the NFU's property portfolio has had smart meters installed, enabling accurate data collection for both gas and electricity. This information together with intelligence gleaned from TM44 and EPC reports is being used to gain a clear understanding of the NFU's usage and thus develop a plan for reducing consumption.
- The range of hybrid cars made available to staff includes lower emission vehicles. Company vehicles are only available to those who cover >6,000 miles pa.

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In addition, specific measures to reduce energy consumption at NFU HQ, Stoneleigh Park are being undertaken, which include:

- Further fine tuning of the building's heating and cooling system (BMS) amending occupancy times and general operating parameters to optimise fuel oil and electricity savings.
- Regularly manually changing the timer on external lighting, optimising seasonal savings; there are plans to upgrade to automated timing and light sensors going forward.
- Compact fluorescent fittings within the Conference Centre have been replaced with energy efficient LED units, some unnecessary lighting disconnected, and compact fluorescents within all pendants replaced with LED.
- Consolidation of drink vending machines has resulted in the removal of two coffee machines, resulting in less energy consumption due to equipment running in standby mode.
- General office work equipment is physically turned off when not in use, for example at night and at weekends.
- Faulty light sensors that left lighting on out of hours throughout the building have been identified and repaired.
- Unnecessary lighting has been identified and either isolated or removed.
- Lighting within the restaurant is managed such that it is on only when required.

These opportunities and principles are being rolled out to the wider building portfolio. Fluorescent lighting is being replaced with LED as opportunities present themselves and pre-summer and pre-winter Planned Preventative Maintenance is carried out annually on air-conditioning plant where installed and action taken to ensure that plant operates to optimum efficiency.

Sustainability

The NFU are also developing a sustainability policy statement and plan, and continue to run its biodiversity programme of works:

- Specified grassland areas around the Stoneleigh HQ site are left purposefully to grow wild, providing a positive environment for insects and creatures to thrive.
- Shrub beds have been replanted with plants such as lavender for the benefit of insects, particularly the bees in the adjacent Beekeepers Association hives.
- The fringe of the rear lawned area is purposefully left wild, providing habitat and visual gradation to the woodland area behind.
- End of life wood and plastic decking has been replaced with decking manufactured from sustainable forestry.

End of life external wooden seating and picnic tables have been replaced with 100% recycled plastic units, which prove to be more practical as well as environmentally friendly.

STK 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 2024, which comprise the Consolidated and NFU Statement of Comprehensive Income, the Consolidated and NFU Balance Sheet, the Consolidated and NFU Statement of Changes in Reserves, the Consolidated 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 2024 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:

- a satisfactory system of control over transactions has not been maintained; or
- the NFU has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

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 8, 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:

Based on our understanding of the NFU and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Trade Union legislation, data protection regulations and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 and corporation tax regulations.

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 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 evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries in respect of revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of noncompliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting 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. 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.

HaysMac LLP
Statutory Auditor
10 Queen Street Place
London
EC4R 1AG

Date

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 OCTOBER 2024**

	Note	£	2024 £	£	2023 £
MEMBERS' SUBSCRIPTION AND RELATED INCOME	4		41,453,231		35,802,902
OPERATING COSTS					
Cost of sales		2,905,630		2,584,837	
Members' representation	5	3,648,343		3,416,187	
Promotional activities	6	1,429,245		1,217,053	
Staff costs	7	28,767,483		25,948,949	
Legal assistance scheme	8	1,600,297		2,259,348	
Administrative costs	9	2,826,024		2,226,912	
Establishment costs	10	4,477,733		4,696,332	
			(45,654,755)		(42,349,618)
OPERATING DEFICIT			(4,201,524)		(6,546,716)
INVESTMENT ACTIVITIES					
Investment property rental income		2,549,526		2,535,378	
Investment property rental costs		(389,666)		(105,000)	
Interest on term deposits		210,163		125,776	
Dividends and other investment income		1,492,376		1,476,392	
Gains on investment		854,436		271,126	
Investment management costs		(415,415)		(417,303)	
SURPLUS ON INVESTMENT ACTIVITIES			4,301,420		3,886,369
INTEREST					
Interest payable		(5,494)		(8,123)	
Notional finance costs of Private medical insurance schemes	12	(165,701)		(172,878)	
			(171,195)		(181,001)
DEFICIT ON ORDINARY ACTIVITIES BEFORE FAIR VALUE MOVEMENTS AND TAXATION			(71,299)		(2,841,348)
FAIR VALUE MOVEMENTS					
Fair value gains/(losses) on revaluation of investment property	18	3,881,280		(950,000)	
Fair value gains on revaluation of listed investments	18	12,571,076		1,070,044	
			16,452,356		120,044
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES AFTER FAIR VALUE MOVEMENTS AND BEFORE TAXATION			16,381,057		(2,721,304)
Taxation (charge)/credit	14		(3,122,163)		350,823
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES AFTER TAXATION			13,258,894		(2,370,481)
OTHER COMPREHENSIVE (EXPENDITURE)/INCOME					
Private Medical Insurance Scheme:					
Actuarial (loss)/gain	12		(1,099,508)		267,676
TOTAL COMPREHENSIVE INCOME/(EXPENDITURE) FOR THE YEAR			12,159,386		(2,102,805)

The surplus/(deficit) for the year arises from the NFU Group's continuing operations.

THE NATIONAL FARMERS' UNION

NFU STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 OCTOBER 2024

	Note	£	2024 £	£	2023 £
MEMBERS' SUBSCRIPTION AND RELATED INCOME			32,462,905		31,330,261
OPERATING COSTS					
Cost of sales		2,028,396		2,124,832	
Members' representation		3,612,998		3,402,652	
Promotional activities		1,291,073		1,155,596	
Staff costs		23,614,013		23,296,408	
Legal assistance scheme		1,600,297		2,259,348	
Administrative costs		1,716,071		2,106,058	
Establishment costs		3,760,317		4,315,469	
			(37,623,165)		(38,660,363)
OPERATING DEFICIT			(5,160,260)		(7,330,102)
INVESTMENT ACTIVITIES					
Investment property rental income		2,549,526		2,535,378	
Investment property rental costs		(389,666)		(105,000)	
Interest on term deposits		143,520		105,484	
Dividends and other investment income		1,492,376		1,476,392	
Gains on investment		854,436		271,126	
Investment management costs		(415,415)		(384,411)	
			4,234,777		3,898,969
DEFICIT ON INVESTMENT ACTIVITIES			(925,483)		(3,431,133)
INTEREST					
Interest payable		(5,494)		(8,126)	
Notional finance costs of Private medical insurance schemes	12	(165,701)		(172,878)	
			(171,195)		(181,004)
DEFICIT ON ORDINARY ACTIVITIES BEFORE FAIR VALUE MOVEMENTS AND TAXATION			(1,096,678)		(3,612,137)
FAIR VALUE MOVEMENTS					
Fair value gains/(losses) on revaluation of investment property	18	3,881,280		(950,000)	
Fair value gains on revaluation of listed investments	18	12,571,076		1,070,044	
			16,452,356		120,044
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES AFTER FAIR VALUE MOVEMENTS AND BEFORE TAXATION			15,355,678		(3,492,093)
Taxation (charge)/credit			(2,688,442)		539,537
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES AFTER TAXATION			12,667,236		(2,952,556)
OTHER COMPREHENSIVE (EXPENDITURE)/INCOME					
Private Medical Insurance Scheme:					
Actuarial (loss)/gain	12		(1,099,508)		267,676
TOTAL COMPREHENSIVE INCOME/(EXPENDITURE) FOR THE YEAR			11,567,728		(2,684,880)

The surplus/(deficit) for the year arises from the NFU's continuing operations.

THE NATIONAL FARMERS' UNION

**CONSOLIDATED BALANCE SHEET
YEAR ENDED 31 OCTOBER 2024**

	Note	2024 £	2023 £
FIXED ASSETS			
Intangible assets	16	4,930,758	611,526
Tangible fixed assets	17	12,449,815	14,591,727
Investments			
Property	18	56,331,887	50,843,304
Other	18	90,388,098	81,701,690
		164,100,558	147,748,247
CURRENT ASSETS			
Debtors	19	5,292,307	4,703,340
Cash at bank and in hand	20	3,516,370	1,949,832
		8,808,677	6,653,172
CREDITORS: amounts falling due within one year	21	(8,576,814)	(8,050,937)
DEFERRED INCOME	23	(3,133,184)	(3,734,080)
NET CURRENT LIABILITIES		(2,901,321)	(5,131,845)
TOTAL ASSETS LESS CURRENT LIABILITIES		161,199,237	142,616,402
PROVISIONS FOR LIABILITIES	24	(22,214,243)	(16,837,205)
NET ASSETS EXCLUDING RETIREMENT BENEFIT OBLIGATIONS		138,984,994	125,779,197
RETIREMENT BENEFIT OBLIGATIONS	12	(4,198,908)	(3,152,497)
NET ASSETS INCLUDING RETIREMENT BENEFIT OBLIGATIONS		134,786,086	122,626,700
RESERVES		134,786,086	122,626,700

The accounts on pages 12 to 51 were approved and authorised for issue by the Board of Officers on 24 January 2025 and are signed on its behalf by:

TW Bradshaw
President

TJ Jones
Director General

THE NATIONAL FARMERS' UNION

NFU BALANCE SHEET YEAR ENDED 31 OCTOBER 2024

	Note	2024 £	2023 £
FIXED ASSETS			
Intangible fixed assets	16	639,658	350,856
Tangible fixed assets	17	12,352,716	14,554,377
Investments			
Property	18	56,331,887	50,843,304
Other	18	90,338,098	82,451,690
		<hr/>	<hr/>
		159,712,359	148,200,227
CURRENT ASSETS			
Debtors	19	6,367,753	3,902,190
Cash at bank and in hand	20	332,971	669,631
		<hr/>	<hr/>
		6,700,724	4,571,821
CREDITORS: amounts falling due within one year	21	(8,864,584)	(9,388,465)
DEFERRED INCOME	23	(2,899,803)	(3,554,218)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(5,063,663)	(4,816,644)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		154,648,697	143,383,583
PROVISIONS FOR LIABILITIES	24	(19,028,523)	(16,823,331)
		<hr/>	<hr/>
NET ASSETS EXCLUDING RETIREMENT BENEFIT OBLIGATIONS		135,620,173	123,006,034
RETIREMENT BENEFIT OBLIGATIONS	12	(4,198,908)	(3,152,497)
		<hr/>	<hr/>
NET ASSETS INCLUDING RETIREMENT BENEFIT OBLIGATIONS		131,421,265	119,853,537
		<hr/>	<hr/>
RESERVES		131,421,265	119,853,537
		<hr/>	<hr/>

The accounts on pages 12 to 51 were approved and authorised for issue by the Board of Officers on 24 January 2025 and are signed on its behalf by:

TW Bradshaw
President

TJ Jones
Director General

THE NATIONAL FARMERS' UNION

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 31 OCTOBER 2024**

	Revaluation Reserve Listed Investment £	Revaluation Reserve Investment Property £	Accumulated Fund £	Total Reserve £
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	-	-	-	-
Transfer of realised gains on investments	(820,178)	-	820,178	-
	<u>249,866</u>	<u>(950,000)</u>	<u>(1,402,671)</u>	<u>(2,102,805)</u>
AT 31 OCTOBER 2023	19,760,108	31,559,168	71,307,424	122,626,700
Surplus/(deficit) for the year	12,571,076	3,881,280	(3,193,462)	13,258,894
Other comprehensive income:				
Private Medical Insurance Scheme:	-	-	(1,099,508)	(1,099,508)
Actuarial gain	-	-	-	-
Transfer of realised gains on investments	(2,751,340)	-	2,751,340	-
	<u>9,819,736</u>	<u>3,881,280</u>	<u>(1,541,630)</u>	<u>12,159,386</u>
AT 31 OCTOBER 2024	29,579,844	35,440,448	69,765,794	134,786,086

A description of these reserves is provided in note 26.

THE NATIONAL FARMERS' UNION

**NFU STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 31 OCTOBER 2024**

	Revaluation Reserve Listed Investment £	Revaluation Reserve Investment Property £	Accumulated Fund £	Total Reserve £
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	-	-	-	-
Transfer of realised gains on investments	(820,178)	-	820,178	-
	<u>249,866</u>	<u>(950,000)</u>	<u>(1,984,746)</u>	<u>(2,684,880)</u>
AT 31 OCTOBER 2023	19,760,108	31,559,168	68,534,261	119,853,537
Surplus/(deficit) for the year	12,571,076	3,881,280	(3,785,120)	12,667,236
Other comprehensive income:				
Private Medical Insurance Scheme:				
Actuarial gain	-	-	(1,099,508)	(1,099,508)
Current tax on actuarial gain	-	-	-	-
Transfer of realised gains on investments	(2,751,339)	-	2,751,339	-
	<u>9,819,737</u>	<u>3,881,280</u>	<u>(2,133,289)</u>	<u>11,567,728</u>
AT 31 OCTOBER 2024	29,579,845	35,440,448	66,400,972	131,421,265
NFU - General Fund	26,639,473	35,440,448	56,390,165	118,470,086
NFU - Legal Fund	<u>2,940,372</u>	<u>-</u>	<u>10,010,807</u>	<u>12,951,179</u>
AT 31 OCTOBER 2024	29,579,845	35,440,448	66,400,972	131,421,265

A description of these reserves is provided in note 26.

THE NATIONAL FARMERS' UNION

**CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 OCTOBER 2024**

	Note	2024 £	2023 £
OPERATING ACTIVITIES			
Cash generated / (used in) operations	27	(4,080,395)	(5,454,321)
Interest paid		(5,494)	(8,123)
Tax paid		(35,245)	(190,000)
NET CASH USED IN OPERATING ACTIVITIES		(4,121,134)	(5,513,970)
INVESTING ACTIVITIES			
Investment income		3,236,821	3,522,359
Interest received		210,163	125,776
Purchase of businesses		(2,903,110)	(109,174)
Cash received on purchase of business		549,702	-
Purchase of intangible fixed assets		(305,507)	(350,855)
Purchase of tangible fixed assets		(136,997)	(541,091)
Proceeds on disposal of tangible fixed assets		25,000	-
Purchase of investments		(9,414,955)	(10,552,019)
Proceeds on disposal of investments		14,039,059	10,991,699
Proceeds on disposal of investment properties		215,000	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		5,515,176	3,227,470
FINANCING ACTIVITIES			
Repayment of loan		(50,705)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		(50,705)	-
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS		1,343,336	(2,286,500)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,259,245	3,545,745
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,602,581	1,259,245
Relating to:			
Bank balances and short term deposits included in cash at bank and in hand		3,516,370	1,949,832
Bank overdrafts		(913,789)	(690,587)
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	2,602,581	1,259,245

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

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 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, investment property and freehold 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 2024. 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 18 and 28.

2. ACCOUNTING POLICIES

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 ACCOUNTS YEAR ENDED 31 OCTOBER 2024

2. ACCOUNTING POLICIES (Continued)

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
Software	33% reducing balance

Software under development is not amortised until it becomes available for use.

Tangible fixed assets

Tangible fixed assets (except for freehold property) are stated at cost or valuation, 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 ACCOUNTS
YEAR ENDED 31 OCTOBER 2024**

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, which is determined by the bid price 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.

Interests in subsidiaries is initially measured at cost and subsequently at cost less impairment losses. The 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 ACCOUNTS YEAR ENDED 31 OCTOBER 2024

2. ACCOUNTING POLICIES (Continued)

Gains or losses recognised within the surplus or deficit on ordinary activities 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 on ordinary activities 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 ACCOUNTS YEAR ENDED 31 OCTOBER 2024

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 financing transactions 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 financing transactions are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 OCTOBER 2024**

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 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 18, an independent valuation has been obtained as at 31 October 2024 for the commercial Knightsbridge properties and all other properties with the exception of Old Barrack Yard which is at officers' valuations. The carrying value of investment properties at the balance sheet date is £56,331,887 (2023: £50,843,304).

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. An independent valuation has been obtained as at 31 October 2024. Further details are provided in note 18.

Goodwill

Goodwill arising on the acquisitions 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 £4,235,370 (2023: £196,938). 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 (2023: £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 £4,198,908 (2023: £3,152,497) are given in note 12. If the assumed annual healthcare premium inflation is varied down by 1% percent to 11% (2023: 11%), the liability would be £3,843,142 (2023: £2,881,756).

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

4. MEMBERS' SUBSCRIPTIONS AND RELATED INCOME

	2024 £	2023 £
Income from members:		
Subscriptions	21,612,899	20,758,442
Legal assistance scheme subscriptions	1,422,068	1,417,432
	<u>23,034,967</u>	<u>22,175,874</u>
Other income:		
Sales	9,094,901	4,694,042
NFU Sales	1,283,502	1,274,858
Rental income	347,870	346,636
Contributions and other income from the NFU Mutual Insurance Society	7,284,500	7,007,500
Contributions from other organisations	114,262	154,450
Other income	293,229	149,542
	<u>18,418,264</u>	<u>13,627,028</u>
	<u>41,453,231</u>	<u>35,802,902</u>

5. MEMBERS' REPRESENTATION

	2024 £	2023 £
Meetings and associated expenses	2,281,653	2,155,239
Elected officers' remuneration	404,110	349,479
Overseas visits	39,521	41,501
COPA and other subscriptions	443,028	350,187
Membership retention and recruitment	506,521	410,512
Animal Health and Welfare	(26,490)	109,269
	<u>3,648,343</u>	<u>3,416,187</u>

6. PROMOTIONAL ACTIVITIES

	2024 £	2023 £
Advertising campaigns	31,971	15,432
National shows and events	204,019	131,595
Regional shows and events	313,544	349,091
Public affairs	342,791	350,273
Marketing and research	448,685	300,712
Digital services	88,235	69,950
	<u>1,429,245</u>	<u>1,217,053</u>

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

7. STAFF COSTS	2024	2023
	£	£
Staff remuneration	21,651,996	19,579,501
Personnel costs (NIC, pension contributions, voluntary pensions and welfare, etc)	5,065,233	4,404,263
Staff recruitment and training	337,199	310,464
Staff expenses	1,211,698	1,174,645
Group secretary expenses	501,357	480,076
	<u>28,767,483</u>	<u>25,948,949</u>
8. LEGAL ASSISTANCE SCHEME	2024	2023
	£	£
Grants to members	<u>1,600,297</u>	<u>2,259,348</u>
9. ADMINISTRATIVE COSTS	2024	2023
	£	£
Audit fees:		
NFU	40,500	28,170
NFU Services Limited	4,500	5,000
NFU Energy Limited	8,000	7,290
C T Planning Limited	3,500	3,260
NFU Commercial Holdings Limited	3,000	-
Woolf Bond Planning Limited	5,500	-
Acorus Rural Property Services Limited	6,500	-
PWA Planning Limited	5,500	-
PWA Planning Group Limited	2,500	-
Energy Planning Limited	3,000	-
Auditor's remuneration:		
Non-audit fees	21,558	28,230
Professional fees:		
Property	332,940	195,987
Pension administrative costs	123,035	173,501
Other	721,724	861,252
Printing and stationery	69,323	72,938
Telephone	282,867	301,183
Postage and carriage	65,328	67,211
Amortisation of goodwill	760,530	50,934
Other	366,219	431,956
	<u>2,826,024</u>	<u>2,226,912</u>

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

10. ESTABLISHMENT COSTS

	2024	2023
	£	£
Repairs and maintenance:		
Property	368,900	261,791
Other	1,054,252	1,052,026
Depreciation	658,152	755,332
Surplus/ (deficit) on disposal of fixed assets	500	(86,159)
Accommodation costs:		
Net rent	714,873	742,916
Rates	579,267	570,585
Light and heat	254,232	493,976
Health and safety	9,003	28,042
Other	350,450	427,016
General insurance costs	488,104	450,807
	<hr/>	<hr/>
	4,477,733	4,696,332
	<hr/>	<hr/>

11. STAFF NUMBERS

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

	2024	2023
	No.	No.
Headquarters	287	273
Regions	101	117
Commercial businesses	126	64
Group secretaries	351	359
	<hr/>	<hr/>
	865	813
	<hr/>	<hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

12. RETIREMENT BENEFIT OBLIGATIONS

GROUP AND NFU		2024 £	2023 £
Amounts recognised in the balance sheet			
Defined benefit pension scheme	a)	-	-
Private medical insurance scheme	b)	4,198,908	3,152,497
		<u>4,198,908</u>	<u>3,152,497</u>

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 2023 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 2024. Scheme assets are stated at their fair value at 31 October 2024.

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

	2024	2023
Discount rate	5.20%	5.90%
Inflation rate RPI	3.45%	3.50%
Inflation rate CPI	2.65%	2.70%
Salary increases	3.45%	3.50%
Revaluation in deferment	2.65%	2.70%
RPI pension increases	3.50%	3.50%
	2024	2023
Post retirement mortality assumption	S3MNA adjusted by 95% / S3NFA adjusted by 100% with CMI 2023 projections using a long term rate of improvement of 1.5% p.a.	S3MNA adjusted by 95% / S3NFA adjusted by 100% with CMI 2022 projections using a long term rate of improvement of 1.5% p.a.

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

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 (i.e., 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 of 3.45% (2023: 3.5%) 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 (2023: 0.8% pa).

The discount rate assumption of 5.2% pa adopted is based on the yield on the iBoxx AWheA rated corporate bond yield curve with a duration of 11 years, which broadly matches the duration of the Scheme's liabilities (2023: 5.9% pa based on the yield on the iBoxx AA rated corporate bond yield curve with a duration of 11 years).

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

	2024	2023
	Years	Years
Male	22.5	22.5
Female	24.8	24.7

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

	2024	2023
	Years	Years
Male	24.1	24.1
Female	26.4	26.4

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

	2024	2023
	£	£
Net interest on the net defined benefit pension liability	-	-

Changes in the present value of the defined benefit obligation:

	2024
	£
Defined benefit obligation at 1 November 2023	60,596,826
Interest cost	3,460,411
Change in value of pensioner annuities	34,170
Experience gain on liabilities	81,594
Changes to demographic assumptions	(401,180)
Changes to financial assumptions	4,246,338
Benefits paid	(3,948,186)
Defined benefit obligation at 31 October 2024	64,069,973

THE NATIONAL FARMERS' UNION

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 OCTOBER 2024**

12. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Changes in the fair value of scheme assets:

	2024
	£
Scheme assets at 1 November 2023	69,139,053
Interest income	3,964,402
Employer contributions	-
Return on plan assets (excluding net interest on the net defined benefit asset)	1,485,535
Changes in value of annuity asset	34,170
Benefits paid	(3,948,186)
	<hr/>
Scheme assets at 31 October 2024	70,674,974
	<hr/> <hr/>

The actual return on scheme assets was a gain of £5,484,107 or 8% (2023: Loss of £5,989,195, 8%) including the change in value of annuities.

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

	2024	2023
	Fair value	Fair value
	£	£
Equity	3,296,704	2,402,420
Bonds	52,984,392	49,883,885
Other	6,223,157	4,583,229
Cash	8,170,721	12,269,519
	<hr/>	<hr/>
	70,674,974	69,139,053
	<hr/>	<hr/>
	2024	2023
	£	£
Scheme assets	70,674,974	69,139,053
Scheme liabilities	(64,069,973)	(60,596,826)
	<hr/>	<hr/>
	6,605,001	8,542,227
Asset ceiling restriction	(6,605,001)	(8,542,227)
	<hr/>	<hr/>
Amount recognised in the balance sheet	-	-
	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

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 2024, 50 (2023: 50) retired individuals currently benefit and no others (2023: 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 2024.

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

	2024	2023
Discount rate	4.95%	5.75%
Increase in healthcare premiums	12.00%	12.00%

Movement in the private medical insurance scheme obligation:

	2024 £	2023 £
At beginning of the year	(3,152,497)	(3,453,357)
Notional finance cost of private medical insurance scheme	(165,701)	(172,878)
Benefits paid	218,798	206,062
Actuarial (loss)/gain	(1,099,508)	267,676
	<hr/>	<hr/>
Amount recognised in the balance sheet	<u>(4,198,908)</u>	<u>(3,152,497)</u>

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

	2024 £	2023 £
Net interest on the net defined benefit pension liability	165,701	172,878
Notional finance costs of private medical insurance scheme	<hr/>	<hr/>
	<u>165,701</u>	<u>172,878</u>

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

13. LEASING AGREEMENTS

As lessee:

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

	2024	2023
	£	£
Motor vehicles, office equipment, computer hardware and software	637,898	534,174
Land and buildings	523,677	541,771

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

	2024	2023
	£	£
Motor vehicles, office equipment, computer hardware and software:		
Expiring within 1 year	282,815	282,815
Expiring between 2 and 5 years	180,712	463,527
Land and buildings:		
Expiring within 1 year	372,672	372,672
Expiring between 2 and 5 years	1,156,726	1,218,166
Expiring after 5 years	-	311,232
	<u>1,992,925</u>	<u>2,648,412</u>

As lessor:

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

	2024	2023
	£	£
Amounts receivable:		
In less than one year	2,185,961	2,185,961
In one to five years	8,237,994	8,237,994
After five years	12,420,289	14,606,250
	<u>22,844,244</u>	<u>25,030,205</u>

The operating leases represent rental of properties to third parties. These are negotiated over terms of 1 to 20 years (2023: 1 to 20 years) and rentals are fixed for 1 to 20 years (2023: 1 to 20 years).

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

14. TAXATION

The taxation charge is made up as follows:

	2024 £	2023 £
UK Corporation tax	447,805	(4,144)
Adjustments in respect of prior year	-	(321,850)
	<hr/>	<hr/>
Current tax charge	447,805	(325,994)
Deferred tax:		
Timing differences, origination and reversal	-	195,273
Fair value gains	3,022,291	(75,470)
Other timing differences	(347,933)	(144,632)
	<hr/>	<hr/>
	2,674,358	(24,829)
	<hr/>	<hr/>
Total tax charge/(credit)	3,122,163	(350,823)

Factors affecting the tax charge for the year:

	2024 £	2023 £
Surplus on ordinary activities before taxation (and after fair value gains)	16,381,057	(2,721,304)
	<hr/>	<hr/>
Tax at 25% (2023: 22.5%) thereon	4,095,264	(612,293)
<i>Effects of-</i>		
Chargeable disposals	279,044	264,994
Expenses not deductible for tax purposes	58,835	38,378
Capital allowances in excess of depreciation	(243,818)	7,700
Dividend income	(369,551)	(292,211)
Loss carried (forward)/back	(558,089)	381,471
Group relief	(139,522)	-
Other tax adjustments	-	30,474
Adjustments in respect of prior year	-	(150,083)
Effects of changes in tax rates	-	(19,253)
	<hr/>	<hr/>
Total tax charge/(credit)	3,122,163	(350,823)

Factors that may affect future tax charges

There are no factors affecting future tax charges.

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

15. BUSINESS COMBINATIONS

Acquisition of business

The Group completed three (2023: nil) acquisitions during the year. The net assets acquired, acquisition costs and net cash flows are summarised below:

Total identifiable net assets acquired	£1,260,910
Goodwill	£4,798,963
Total acquisition cost	£6,059,873

Analysed as follows:

Initial consideration paid	£2,723,997
Contingent consideration	£3,156,763
Acquisition costs	£ 179,113
Total acquisition cost	£6,059,873

Cash flow on acquisition:

Cash paid	£2,723,997
Cash acquired	£ (549,702)
Acquisition costs	£ 179,113
Net cash flow	£2,353,408

Acquisition of Acorus Rural Property Services Limited (Acorus)

On 31 January 2024, NFU Commercial Holdings Limited acquired 100% of the share capital of Acorus Rural Property Services Limited, a private company incorporated in England and Wales. The business provides planning, surveying and architectural design services in Exeter and Bury St Edmonds.

The fair values of the assets and liabilities of Acorus at the date of acquisition are set out in the table below:

	£
Tangible fixed assets	10,567
Trade and other debtors	611,325
Cash	150,947
Trade and other creditors	(113,898)
Net identifiable assets at the date of acquisition	658,941
<hr/>	
Total cost of business combination	£
Initial cash paid	959,758
Contingent consideration	778,511
Acquisition fees	55,128
Total consideration	1,793,397
<hr/>	
Goodwill on acquisition	1,134,456
<hr/>	

The opinion of the officers is that the book values accurately reflect the fair values at the date of acquisition. The expected useful economic life of goodwill arising on this acquisition is 5 years.

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

15. BUSINESS COMBINATIONS (continued)

Acquisition of PWA Planning Group Limited (PWA Group)

On 4 February, NFU Commercial Holdings Limited acquired 100% of the share capital of PWA Group, a private group of companies incorporated in England and Wales. The business provides planning consultancy in Preston particularly for housing associations, with a specialist energy consultancy, Energy Planning Limited.

PWA Group includes the net assets of PWA Planning Group Limited, PWA Planning Limited, PWA Planning Associates Limited and Energy Planning Limited.

The fair values of the assets and liabilities of PWA Group at the date of acquisition are set out in the table below:

	£
Tangible fixed assets	63,040
Trade and other debtors	463,418
Cash	398,755
Trade and other creditors	(336,975)
<hr/>	
Net identifiable assets at the date of acquisition	588,238
<hr/>	
	£
Total cost of business combination	
Initial cash paid	828,239
Contingent consideration	1,080,505
Acquisition fees	51,480
<hr/>	
Total consideration	1,960,224
<hr/>	
Goodwill on acquisition	1,371,985
<hr/>	

The opinion of the officers is that the book values accurately reflect the fair values at the date of acquisition. The expected useful economic life of goodwill arising on this acquisition is 5 years.

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

15. BUSINESS COMBINATIONS (continued)

Acquisition of the trade and assets of Woolf Bond Planning LLP and WB Planning LLP (Woolf Bond)

On 4 March 2024, NFU Commercial Holdings Limited acquired the trade and assets of Woolf Bond Planning LLP and WB Planning LLP, two partnerships incorporated in England and Wales. The business provides high-end planning consultancy based in Reading. The trade and assets were immediately transferred to a new company, Woolf Bond Planning Limited,

The fair values of the assets and liabilities of Woolf Bond at the date of acquisition are set out in the table below:

	£
Tangible fixed assets	13,731
<hr/>	
Net identifiable assets at the date of acquisition	13,731
<hr/>	
Total cost of business combination	£
Initial cash paid	936,000
Contingent consideration	1,297,747
Acquisition fees	72,505
<hr/>	
Total consideration	2,306,252
<hr/>	
Goodwill on acquisition	2,292,521
<hr/>	

The opinion of the officers is that the book values accurately reflect the fair values at the date of acquisition. The expected useful economic life of goodwill arising on this acquisition is 5 years.

THE NATIONAL FARMERS' UNION

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 OCTOBER 2024**

16. INTANGIBLE FIXED ASSETS

GROUP

	Goodwill	Software	Total
	£	£	£
<i>Cost</i>			
At 1 November 2023	3,150,936	478,723	3,629,659
Additions	4,798,963	305,507	5,104,469
	<u>7,949,899</u>	<u>784,230</u>	<u>8,734,129</u>
At 31 October 2024			
<i>Accumulated amortisation</i>			
At 1 November 2023	2,953,680	64,453	3,018,133
Charge for the year	760,531	24,707	785,238
	<u>3,714,211</u>	<u>89,160</u>	<u>3,803,371</u>
At 31 October 2024			
<i>Net book value</i>			
At 31 October 2024	<u>4,235,688</u>	<u>695,070</u>	<u>4,930,758</u>
At 31 October 2023	<u>197,256</u>	<u>414,270</u>	<u>611,526</u>

NFU

	Software	Total
	£	£
<i>Cost</i>		
At 1 November 2023	350,856	350,856
Additions	288,802	288,802
	<u>639,658</u>	<u>639,658</u>
At 31 October 2024		
<i>Accumulated amortisation</i>		
At 1 November 2023	-	-
Charge for the year	-	-
	<u>-</u>	<u>-</u>
At 31 October 2024		
<i>Net book value</i>		
At 31 October 2024	<u>639,658</u>	<u>639,658</u>
At 31 October 2023	<u>350,856</u>	<u>350,856</u>

THE NATIONAL FARMERS' UNION

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 OCTOBER 2024**

17. TANGIBLE FIXED ASSETS

GROUP

	Freehold Property £	Leasehold Property £	Furniture Equipment and Vehicle £	Total £
<i>Cost or valuation</i>				
At 1 November 2023	4,841,232	14,264,808	5,063,006	24,169,046
Additions	-	583	136,414	136,997
Arising on acquisitions	-	22,835	64,503	87,338
Reclassification	(2,568,219)	(647,835)	-	(3,216,054)
Revaluation	-	-	-	-
Disposals	-	(49,023)	(64,420)	(113,443)
At 31 October 2024	2,273,013	13,591,368	5,199,503	21,063,884
<i>Accumulated depreciation</i>				
At 1 November 2023	1,214,816	4,173,046	4,189,457	9,577,319
Charge for the year	61,127	208,170	364,147	633,444
Reclassification	(1,275,943)	(232,808)	-	(1,508,751)
Disposal	-	(49,023)	(38,920)	(87,943)
At 31 October 2024	-	4,099,385	4,514,684	8,614,069
<i>Net book value</i>				
At 31 October 2024	2,273,013	9,491,983	684,819	12,449,815
At 31 October 2023	3,626,416	10,091,762	873,549	14,591,727

NFU

	Freehold Property £	Leasehold Property £	Furniture Equipment and Vehicles £	Total £
<i>Cost or valuation</i>				
At 1 November 2023	4,841,232	14,222,864	4,975,034	24,039,130
Additions	-	-	123,233	123,233
Transfer of assets	(2,568,219)	(647,835)	-	(3,216,054)
Revaluation	-	-	-	-
Disposals	-	(49,023)	(64,420)	(113,443)
At 31 October 2024	2,273,013	13,526,006	5,033,847	20,832,866
<i>Accumulated depreciation</i>				
At 1 November 2023	1,214,816	4,148,158	4,121,779	9,484,753
Charge for the year	61,127	195,668	335,296	592,091
Transfer of assets	(1,275,943)	(232,808)	-	(1,508,751)
Disposal	-	(49,023)	(38,920)	(87,943)
At 31 October 2024	-	4,061,995	4,418,155	8,480,150
<i>Net book value</i>				
At 31 October 2024	2,273,013	9,464,011	615,692	12,352,716
At 31 October 2023	3,626,416	10,074,706	853,255	14,554,377

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

18. FIXED ASSET INVESTMENTS

GROUP AND NFU

Investment property	£
Fair value at 1 November 2023	50,843,304
Reclassification	1,707,303
Revaluation	3,881,280
Disposals	<u>(100,000)</u>
Fair value at 31 October 2024	<u>56,331,887</u>

The commercial Knightsbridge investment properties were valued on a fair value basis at £48,800,000 (2023: £45,550,000) on 31 October 2024 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 (2023: £3,258,900), based upon an independent valuation by Chestertons, Chartered Surveyors (valued as at 31 October 2022). The historical cost of all Knightsbridge properties at 31 October 2024 was £11,705,554 (2023: £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 £4,272,987 (2023: £2,117,404), based on an independent valuation by Knight Frank as at 31 October 2024. The historical cost of these properties at 31 October 2024 was £5,603,861 (2023: £2,232,930).

During the year a number of properties which had previously been used for operational purposes were vacated and made available for commercial rent. These properties were reclassified during the year to investment property. The properties were transferred at book value and revalued at the reporting date.

GROUP AND NFU	Listed investments £
Other fixed asset investments	
<i>Fair value</i>	
At 1 November 2023	81,701,690
Revaluation	12,571,076
Purchases	9,414,955
Disposals	(12,884,207)
Investment fee	(415,415)
At 31 October 2024	<u>90,388,098</u>

The listed investments at fair value have an historical cost of £60,615,806 (2023: £57,683,976).

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

18. FIXED ASSET INVESTMENTS (Continued)

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, CVS 2TZ.

- NFU Commercial Holdings Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company provides management services. Its principal place of business is Agriculture House, Stoneleigh Park, Kenilworth, Warwickshire, CVS 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, CVS 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, CVS 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, CVS 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 Agriculture House, Stoneleigh Park, Kenilworth, Warwickshire, CVS 2TZ. On 31 October 2024 the trade and assets were transferred to PWA Planning Group and the company became dormant.
- Acorus Rural Property Services Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company was acquired on 31 January 2024 and provides architectural and property services. Its principal place of business is Agriculture House, Stoneleigh Park, Kenilworth, Warwickshire, CVS 2TZ.
- PWA Planning Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company was acquired on 2 February 2024 and provides professional planning and development consultancy services. Its principal place of business is Agriculture House, Stoneleigh Park, Kenilworth, Warwickshire, CVS 2TZ.
- PWA Planning Group Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company was acquired on 2 February 2024 and is a holding company. Its principal place of business is Agriculture House, Stoneleigh Park, Kenilworth, Warwickshire, CVS 2TZ.
- PWA Planning Associates Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company was acquired on 2 February 2024 and is a dormant company. Its principal place of business is Agriculture House, Stoneleigh Park, Kenilworth, Warwickshire, CVS 2TZ.
- Energy Planning Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company was acquired on 2 February 2024 and provide professional services for energy planning with a specific focus on renewable projects. Its principal place of business is Agriculture House, Stoneleigh Park, Kenilworth, Warwickshire, CVS 2TZ.
- Woolf Bond Planning Limited. 100% interest in the ordinary share capital (and voting rights) of that company, held indirectly. The company was incorporated on 8 January 2024 and the trade and assets of Woolf Bond Planning LLP and WB Planning LLP were acquired and transferred to it on 4 March 2024, the company provides professional planning and consultancy services. Its principal place of business is Agriculture House, Stoneleigh Park, Kenilworth, Warwickshire, CVS 2TZ.

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

19. DEBTORS

GROUP	2024	2023
	£	£
Amounts paid in advance	2,274,479	2,510,635
Trade debtors	2,175,435	902,633
Amounts due from affiliated entities	4,779	7,974
Corporation tax	-	384,413
VAT debtor	148,105	-
Other debtors	689,509	897,685
	<hr/>	<hr/>
	5,292,307	4,703,340
	<hr/>	<hr/>
NFU	2024	2023
	£	£
Amounts paid in advance	2,068,561	2,395,100
Trade debtors	389,224	307,852
Amounts due from subsidiaries	2,783,170	2,398
Amounts due from affiliated entities	4,779	7,974
Corporation tax	555,478	555,478
VAT debtor	90,397	-
Other debtors	476,144	633,388
	<hr/>	<hr/>
	6,367,753	3,902,190
	<hr/>	<hr/>

THE NATIONAL FARMERS' UNION

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 OCTOBER 2024**

20. CASH AND CASH EQUIVALENTS

GROUP	2024	2023
	£	£
Cash at bank and in hand	3,516,370	1,949,832
Bank overdrafts	(913,789)	(690,587)
Cash and cash equivalents in statement of cash flows	<u>2,602,581</u>	<u>1,259,245</u>

NFU	2024	2023
	£	£
Cash at bank and in hand	332,971	669,631
Bank overdrafts	(913,789)	(690,587)
Cash and cash equivalents in statement of cash flows	<u>(580,818)</u>	<u>(20,956)</u>

ANALYSIS OF NET DEBT:

GROUP	At 1 November 2023	Cash flow	Arising on acquisition	At 31 October 2024
	£	£	£	£
<i>Net cash:</i>				
Cash at bank and in hand	1,949,832	1,016,837	549,702	3,516,371
Bank overdrafts	(690,587)	(223,202)	-	(913,789)
Net funds	<u>1,259,245</u>	<u>793,635</u>	<u>549,702</u>	<u>2,602,581</u>

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP	2024 £	2023 £
Bank overdrafts	913,790	690,587
Trade creditors	1,487,578	1,969,942
Amounts due to branches	17,256	17,256
Amounts due to affiliated entities	313,733	305,144
Corporation tax	85,105	-
Other taxes and social security	1,111,630	888,756
Other creditors and accruals	4,647,722	4,179,252
	8,576,814	8,050,937

NFU	2024 £	2023 £
Bank overdrafts	913,790	690,587
Trade creditors	1,322,235	1,913,070
Amounts due to subsidiaries	1,473,150	1,798,956
Amounts due to branches	17,256	17,256
Amounts due to affiliated entities	314,954	305,144
Corporation tax	15,342	-
Other taxes and social security	578,434	642,558
Other creditors and accruals	4,229,422	4,020,894
	8,864,584	9,388,465

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

22. FINANCIAL INSTRUMENTS

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

GROUP AND NFU	2024 £	2023 £
Financial assets:		
Listed investments measured at fair value through surplus or deficit in the Statement of Comprehensive Income	90,388,098	81,701,690

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

23. DEFERRED INCOME

GROUP	Subscriptions received in advance £	Contributions from NFU Mutual £	Total £
At 1 November 2023	2,559,580	1,174,500	3,734,080
Received during the year	1,911,184	1,222,000	3,133,184
Released to profit during the year	(2,559,580)	(1,174,500)	(3,734,080)
	<hr/>	<hr/>	<hr/>
At 31 October 2024	1,911,184	1,222,000	3,133,184
	<hr/>	<hr/>	<hr/>
NFU	Subscriptions received in advance £	Contributions from NFU Mutual £	Total £
At 1 November 2023	2,379,718	1,174,500	3,554,218
Received during the year	1,677,803	1,222,000	2,899,803
Released to profit during the year	(2,379,718)	(1,174,500)	(3,554,218)
	<hr/>	<hr/>	<hr/>
At 31 October 2024	1,677,803	1,222,000	2,899,803
	<hr/>	<hr/>	<hr/>

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

24. PROVISIONS FOR LIABILITIES

GROUP	Legal assistance scheme grants	Dilapidation provisions	Contingent consideration	Deferred tax	Total
	£	£	£	£	£
At 1 November 2023	1,954,209	564,550	-	14,318,446	16,837,205
Provisions made during the year	1,928,239	-	3,156,763	-	5,085,002
Utilised in the year	(2,220,710)	(175,437)	-	-	(2,396,147)
Arising on acquisitions	-	-	-	13,824	13,824
Transfer from Statement of Comprehensive Income	-	-	-	2,674,358	2,674,358
At 31 October 2024	1,661,738	389,114	3,156,763	17,006,628	22,214,243

NFU	Legal assistance scheme grants	Dilapidation provisions	Deferred tax	Total
	£	£	£	£
At 1 November 2023	1,954,209	564,550	14,304,572	16,823,331
Provisions made during the year	1,928,239	-	2,673,100	4,601,339
Utilised in the year	(2,220,710)	(175,437)	-	(2,396,147)
At 31 October 2024	1,661,738	389,113	16,977,672	19,028,523

Legal assistance scheme grants

These represent outstanding awards at the balance sheet date made under the national legal assistance scheme (see note 30).

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 2024/25 and 2025/26 financial years.

Contingent consideration

The group has entered into certain acquisition agreements that provide for contingent consideration to be paid. The amounts due are in respect of the acquisitions of Acorus Rural Property Services Limited, PWA Planning Group Limited and Woolf Bond Planning Limited, and the amounts payable will be dependent on the trading results of each company. The estimated financial liability of £3,156,763 is expected to be settled in the subsequent three year period (see note 15).

THE NATIONAL FARMERS' UNION

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 OCTOBER 2024**

25. DEFERRED TAX

GROUP

	Fair value gains £	Accelerated capital allowances £	Other timing differences £	Total £
At 1 November 2023	12,598,390	1,905,374	(185,318)	14,318,446
Arising on acquisitions	-	-	13,824	13,824
Transfer from Statement of Comprehensive Income	3,022,291	-	(347,933)	2,674,358
	<hr/>			
At 31 October 2024	<u>12,598,390</u>	<u>1,905,374</u>	<u>2,502,864</u>	<u>17,006,628</u>

NFU

	Fair value gains £	Accelerated capital allowances £	Other timing differences £	Total £
At 1 November 2023	12,598,390	1,888,766	(182,584)	14,304,572
Transfer from Statement of Comprehensive Income	3,022,291	-	(349,191)	2,673,100
	<hr/>			
At 31 October 2024	<u>15,620,681</u>	<u>1,888,766</u>	<u>(531,775)</u>	<u>16,977,672</u>

26. 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 ACCOUNTS YEAR ENDED 31 OCTOBER 2024

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

GROUP	2024	2023
	£	£
Surplus/(Deficit) on ordinary activities after tax	13,258,893	(2,370,481)
Depreciation of tangible fixed assets	633,444	769,817
Amortisation of intangible assets	785,238	50,935
Loss on disposal of tangible fixed assets	500	(87,695)
Gain/(Deficit) on disposal of investments	(739,436)	(271,126)
Gain on disposal of investment property	(115,000)	-
Fair value (gains) on fixed asset investments	(16,452,356)	(120,044)
Notional interest on retirement benefit obligations (note 12)	165,701	172,878
Property rental income (net)	(2,159,860)	(2,430,378)
Interest on term deposits	(210,163)	(125,776)
Dividends and other investment income	(1,492,376)	(1,476,392)
Investment fees	415,415	384,411
Interest payable	5,494	-
Taxation	3,122,163	(431,027)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(2,782,344)	(5,926,756)
Decrease in trade and other debtors	101,364	380,171
Increase in trade and other creditors	(712,719)	(302,171)
(Decrease)/increase in provisions	(686,705)	532,090
	<hr/>	<hr/>
Net cash used in operations	(4,080,395)	(5,315,847)

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

28. RELATED UNDERTAKINGS

The related undertakings of the NFU are as follows:

	Activity	Ownership
<i>Related undertakings not consolidated:</i>		
a. Unincorporated trust funds:		
NFU Beet Growers Account levy	Control & use of voluntary industry	100%
This fund has not been consolidated because the NFU national organisation has no rights in, or control over the assets.		
b. 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.		
c. 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 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.		
d. 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%

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

29. 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 28.

Administration fees charged to related parties in the year were:

	2024	2023
	£	£
(i) NFU Beet Growers Account		
Administration fees and salaries charged to Beet Growers	796,098	692,782
(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 (2023: £Nil loaned) to NFU Beet-Growers.

At 31 October 2024, the following balances were due to and from related parties:

	2024	2023
	£	£
(i) NFU Beet Growers Account		
Amounts owed to the NFU	4,779	7,974
(ii) Pig Disease Eradication Fund Ltd		
Amounts owed to the NFU	-	-

At 31 October 2024, £343,975 (2023: £337,404) 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 £912,469 (2023: £914,602). 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 ACCOUNTS YEAR ENDED 31 OCTOBER 2024

30. NFU 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 within the General Fund of the NFU in these accounts. Separate detailed accounts are reported to the Legal Board, which has responsibility for the administration of the Legal Fund.

In summary, the transactions of the legal fund in the year ended 31 October 2024 were as follows:

	£	2024 £	£	2023 £
Income and expenditure account:				
Income				
Members' subscriptions		1,422,068		1,417,432
Operating costs				
Grants to members*	1,600,297		2,259,348	
Administration costs	<u>601,433</u>		<u>558,366</u>	
		(2,201,730)		(2,817,714)
		(779,662)		(1,400,282)
Operating deficit				
Investment activities				
Interest on term deposits	76,772		42,397	
Dividend and other investment income	597,830		409,257	
Investment fees	<u>(54,165)</u>		<u>(50,519)</u>	
Surplus on investment activities		<u>620,437</u>		<u>401,135</u>
(Deficit)/ surplus on ordinary activities before fair value movements and taxation		(159,225)		(999,147)
Fair value gains/(losses) on revaluation of listed investments		1,266,076		62,647
Surplus on ordinary activities after fair value movements and before taxation		<u>1,106,850</u>		<u>(936,500)</u>
Taxation (charge)/credit		<u>(153,251)</u>		<u>250,001</u>
(Deficit)/ Surplus on ordinary activities after taxation		<u>953,599</u>		<u>(686,499)</u>
Total reserves brought forward		<u>11,997,580</u>		<u>12,684,079</u>
Total reserves carried forward		<u>12,951,179</u>		<u>11,997,580</u>

*Grants to members of £1,600,297 (2023: £2,259,348) is presented net of grants awarded to members of £1,928,239 (2023: £2,685,857) less grants withdrawn/no longer required of £327,943 (2023: £426,509).

THE NATIONAL FARMERS' UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 OCTOBER 2024

30. LEGAL FUND (Continued)

	2024	2023
	£	£
Represented by:		
Fixed assets:		
Listed investments at market value (cost: £11,108,054, 2023: £11,081,196)	15,221,024	13,978,637
Current assets:		
Amount due from NFU General Fund	84,689	110,687
Corporation tax recoverable	238,003	238,003
Other debtors	23,839	10,295
Cash and cash equivalents	44,630	483,854
Total current assets	391,161	842,839
Current liabilities:		
Other creditors	(41,640)	(25,398)
Deferred income	(61,624)	(101,537)
Total assets less current liabilities	15,508,921	14,694,541
Provisions:		
Grants payable	(1,661,738)	(1,954,209)
Deferred taxation	(896,004)	(742,752)
Total reserves	12,951,179	11,997,580