

ANNUAL RETURNS TO THE CERTIFICATION OFFICER

Industrial Relations (Northern Ireland) Order 1992 (as amended)

FORM AR(NI)27 - ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Association:	Ulster Farmers' Union
Financial Year End:	31/12/2016
Ref No:	

Head or Main Office: <div style="border: 1px solid black; padding: 5px; margin-top: 10px; text-align: center;"> N. IRELAND CERTIFICATION OFFICER 5 - JUL 2017 RECEIVED </div>	475 Antrim Road Belfast BT15 3DA
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Has the address changed during the year to which the return relates?

Yes		No	<input checked="" type="checkbox"/>	<i>(Tick as appropriate)</i>
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Secretary: Wesley Aston

Telephone Number and e-mail address: 028 9037 0222 Wesley@ufuhq.com

Contact name for queries regarding the completion of this return: John Weir

Telephone Number and e-mail address: 028 9037 0222 jweir@ufuhq.com

Every employers' association having its head or main office outside Northern Ireland has a statutory obligation to provide the Certification Officer with names and addresses of one or more persons resident in Northern Ireland authorised to accept on its behalf service of process and any notices required to be served on it. The Certification Officer has no authority to waive this provision.

NAME OF AUTHORISED PERSON:

NORTHERN IRELAND ADDRESS:

(a) Wesley Aston

(b) Barclay Bell

The address to which enquiries, returns and other documents should be sent is:

Northern Ireland Certification Office for Trade Unions and Employers' Associations
 10-16 Gordon Street, Belfast BT1 2LG. Telephone: 028 9023 7773 Fax: 028 9023 2271
 E-mail: info@nicertoffice.org.uk

EVERY EMPLOYERS' ASSOCIATION WITH MEMBERS IN NORTHERN IRELAND IS REQUIRED BY LAW TO COMPLETE THIS RETURN. THE REFUSAL OR WILFUL NEGLECT TO PERFORM THIS DUTY IS A CRIMINAL OFFENCE.

GUIDANCE ON COMPLETION

General:

1. Unless the Certification Officer has authorised the association to make its annual return to another date, this return must be made to 31 December and sent to the Certification Officer as soon as possible, and in any event before 1 June.
2. The information must give a true and fair view of the matters to which the return relates. Accounts and balance sheet of an association working through branches should include the transactions, assets and liabilities of all the branches, negative values must be shown in brackets. The left hand columns of pages 4 and 6 may be used for the previous year's figures. Completion of these is voluntary.
3. There should, if not otherwise shown, be stated by way of note every material respect in which items shown in the return are affected; by transactions of an exceptional or non-recurrent nature; or by any change in the basis of accounting.
4. Accounting policies dealing with items judged material or critical in determining the surplus or deficit for the year and in stating the financial position must be made on page 10.
5. Where the space in an account or analysis is insufficient a separate sheet may be attached to the appropriate page. The return must be signed by two officers (Page 12). A person cannot sign in more than one capacity.

Association's Rules:

6. **A COPY OF THE RULES IN FORCE AT THE END OF THE YEAR TO WHICH THIS RETURN RELATES MUST BE SUBMITTED WITH THIS FORM EVEN IF THE RULES HAVE NOT YET BEEN ALTERED SINCE THE PREVIOUS RULE BOOK WAS SUBMITTED. THIS IS A STATUTORY REQUIREMENT WHICH THE CERTIFICATION OFFICER HAS NO AUTHORITY TO WAIVE.**

Revenue Account

7. "Remuneration of Staff" – includes salaries and wages, holiday/redundancy pay, national insurance, ordinary, graduated, and superannuation contributions, and related staff expenses.
8. "Occupancy Costs" – includes rents, rates, insurance, gas, electricity, water, fuel, general repairs and renewals, and other maintenance items.
9. Any material amount (a) set aside for provisions other than for depreciation, renewals or diminution in value of assets; or (b) which had been set aside for such provisions, but no longer required, must be shown separately.
10. Any amount charged to revenue for renewal of fixed assets must be shown separately, whether or not any amount is also charged to provide for depreciation or diminution of those assets. If depreciation or replacement of fixed assets is by a method other than a depreciation charge, or provision for renewals, the method, or if no provision is made, should be stated by way of note if not otherwise shown.
11. Interest, Dividends and any other income, including Capital Gains on the sale of investments should be shown gross, and the relevant tax included in "Taxation" (page 4). The basis of the Taxation charge should be shown as a note to the accounts.

Other Fund Accounts

12. If separate funds are maintained for particular benefits or objects of the association, the accounts (page 5) should be completed for those funds, and the appropriate income and expenditure excluded from the Revenue Account.

Balance Sheet

13. The following, if material, should be shown as a note, if not otherwise indicated:
 - a) Particulars of any monies owing by the association for loans/overdrafts which are secured on the assets of the association;
 - b) The general nature of any contingent liability not provided for and the estimated amount of the contingent liability;
 - c) The aggregate amount or estimated amount of;
 - i) capital expenditure, contracts, so far as not provided for, and
 - ii) capital expenditure authorised by the governing body of the association which has not been contracted for;
 - d) If the amounts at which any fixed assets are shown are arrived at by reference to a valuation;
 - i) the years (so far as they are known to the governing body of the association) in which the assets were severally valued and the several values, and
 - ii) where assets have been valued during the financial year, the names of the persons who valued them – their qualifications for doing so – and the bases of valuation used by them.

Fixed Assets Account

14. Under "Cost or Valuation" enter the cost of acquisition or, the amount of the valuation. If for any asset the figures relating to the period before the end of the financial year covered by the return cannot be readily obtained **the Certification Officer must be notified separately in writing.**

Associations incorporated under the Companies Orders

15. If the period covered is the same, with no significant diminution in the degree of disclosure required by this return an association incorporated under Company law may submit a copy of its accounts prepared under the Companies Orders in lieu of completing pages 4 to 9. As the Companies Orders return information sought in this return the additional information must be provided. **Pages 1, 10 and 11 must always be completed.** A nil return should be shown if appropriate.

Audit

16. An employers' association shall appoint an auditor or auditors to audit the accounts in the annual return. A person is qualified to be the auditor if he is eligible for appointment under Article 28 of the Companies (NI) Order 1990.
17. Two or more persons who are not so qualified may act as auditors of an employers' association if:-
 - a) The receipts and payments in respect of the association's last preceding accounting period did not in the aggregate exceed £5,000,
 - b) The number of its members at the end of that period did not exceed 500,
 - c) The value of its assets at the end of that period did not in the aggregate exceed £5,000, and
 - d) They are not officers or employees of the association.

RETURN OF MEMBERS

	NUMBER OF MEMBERS AT THE END OF THE YEAR				
	Northern Ireland	Great Britain	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
Male	11,380	NIL	NIL	NIL	11,380
Female	NOT KNOWN OR RECORDED				
TOTAL	11,380	NIL	NIL	NIL	11,380

RETURN OF CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return and attach as an annex to this form a complete list of all officers in post at the end of the year to which this form relates.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
President	Ian Marshall	Barclay Bell	27 April 2016
Deputy President	No Change	Ivor Ferguson	
Deputy President	Barclay Bell	Victor Chestnutt	27 April 2016

Financial contribution from Northern Ireland members

Number of Northern Ireland members contributing at the end of the year

REVENUE ACCOUNT for the year ended ...31 December 2016.....

See attached Financial Statements

Previous Year	INCOME			£
	Members: Subscriptions, levies etc.			
	Other Income Rents received Insurance commission Consultancy fees Sales of goods Miscellaneous receipts (specify)			
	Investment Income Interest and dividends (gross) Bank Interest Other (specify)			
		TOTAL INCOME		
	EXPENDITURE Administrative Expenses Remuneration of staff Occupancy costs Printing, Stationery, Post & Telephones Professional fees Other administrative expenses (specify)			
	Other charges Bank interest Depreciation Sums written off (specify)			
	Subscriptions, affiliation fees, donations Conference & meeting fees & expenses Miscellaneous expenditure (specify)			
		TOTAL EXPENDITURE		

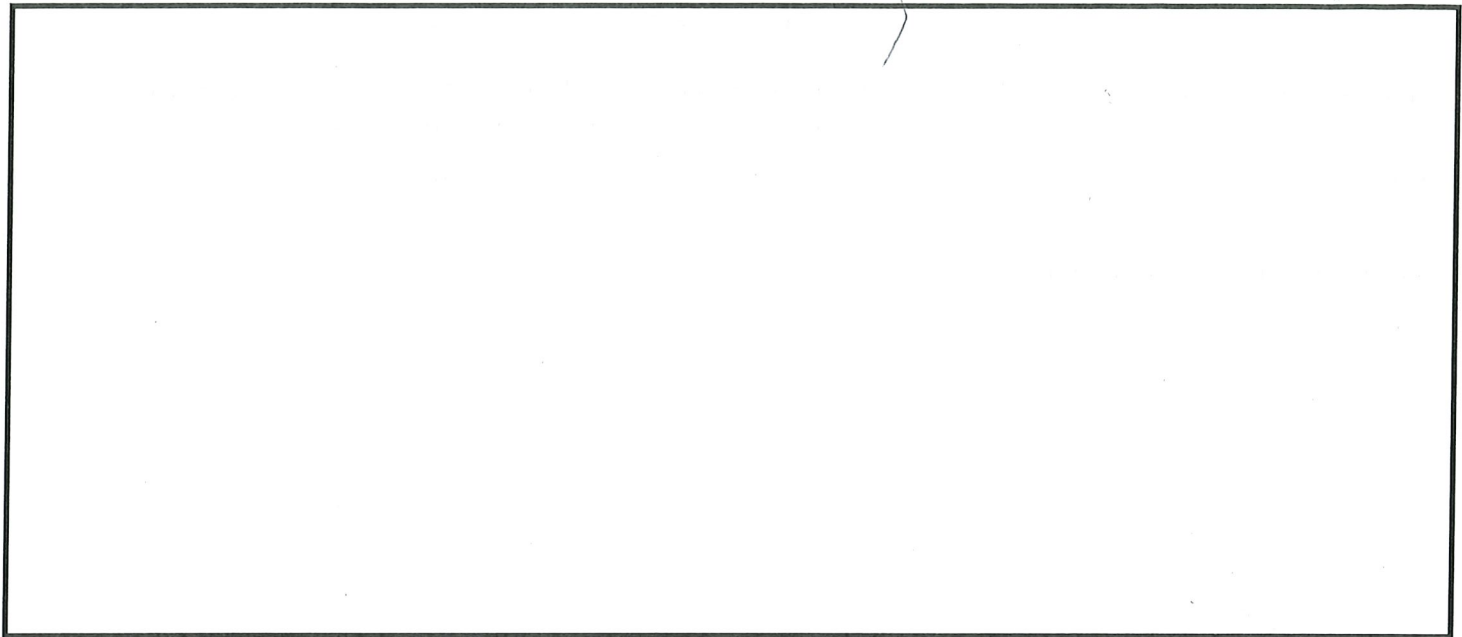
Surplus for year before taxation	£
Taxation	£
Surplus for year after taxation	£
Surplus brought forward	£
Balance of account taken to balance sheet	£

AUDITORS' REPORT
(see Note 16)

[A person is qualified to be an auditor of an employers' association if he is eligible for appointment as a company auditor under Article 28 of the Companies (NI) Order 1990

See attached Financial Statements



AUDITOR'S REPORT continued



The Auditors' Report is made in accordance with Articles 18 to 21 of Schedule 1 of the Industrial Relations (NI) Order 1992:

Signature(s):		
Name(s):	Wesley Aston (Please Print)	Barclay Bell (Please Print)
Profession(s) or Calling(s):	Chief Executive	President
Address(es):	UFU 475 Antrim Road Belfast BT15 3DA	UFU 475 Antrim Road Belfast BT15 3DA
Date:	25 May 2017	25 May 2017
Contact name and telephone number:	John Weir 028 9037 0222	John Weir 028 9037 0222

Signatures to the annual return including the accounts and balance sheet contained in the return by the officers of the Association. (The law requires that two officers sign the return – a person should not sign in more than one capacity.)

Secretary (WA) 	Date: 25 May 2017
President (BB) 	Date: 25 May 2017
Treasurer (or other official whose position should be stated)	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

OTHER FUND ACCOUNTS (To be completed if note 12 applies)		
Name:	£	£
Income		
Members contributions & levies		
Investment income		
Other income (specify)		
	Total Income	
Expenditure		
Administrative expenses		
Other expenditure (specify)		
	Total Expenditure	
	Income less Expenditure – Surplus or (Deficit) for year	
	Add amount of fund at beginning of year	
	Amount of fund at end of year (as Balance Sheet)	

FUND 2	Fund Account	
Name:	£	£
Income		
Members contributions & levies		
Investment income		
Other income (specify)		
	Total Income	
Expenditure		
Administrative expenses		
Other expenditure (specify)		
	Total Expenditure	
	Income less Expenditure – Surplus or (Deficit) for year	
	Add amount of fund at beginning of year	
	Amount of fund at end of year (as Balance Sheet)	

BALANCE SHEET as at

See attached Financial Statements

Previous Year		£	£
	Fixed Assets (as per analysis on page 7)		
	Investments (as per analysis on page 8)		
	Quoted (Market value £)		
	Unquoted		
	Current Assets		
	Sundry debtors		
	Stocks of goods		
	Cash at bank and in hand		

	Less: Current liabilities		
	Sundry creditors		
	Other (specify)		

	NET CURRENT ASSETS		
	Deduct: Other liabilities (specify)		

	TOTAL NET ASSETS		
	Represented by:		
	Revenue Account balance		

FIXED ASSETS ACCOUNT

See attached Financial Statements

	Land & Buildings	Furniture and Equipment	Motor Vehicles	Total
	£	£	£	£
Cost or Valuation (see note 14)				
At start of year				
Additions during year				
Less: Disposals during year				
At end of year				
Accumulated Depreciation				
At start of year				
Charges for year				
Disposals				
At end of year				
Net book value at end of year				
Freehold		
Leasehold (50 or more years unexpired)		
Leasehold (less than 50 years unexpired)		
AS BALANCE SHEET				

ANALYSIS OF INVESTMENTS

See attached Financial Statements

QUOTED		Other Funds £
	British Government & British Government Guaranteed Securities	
	Unit Trusts	
	Equities	
	Other <u>quoted</u> securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Quoted Investments	
UNQUOTED	British Government Securities	
	Mortgages	
	Loans	
	Equities	
	Other <u>unquoted</u> investments (to be specified)	
	TOTAL UNQUOTED (as Balance Sheet)	
	*Market Value of Unquoted Investments	

*Market value of investments to be stated where they are different from the figures quoted on the balance sheet.

NOTES TO THE ACCOUNTS

All notes to the accounts must be entered on or attached to this part of the return.

See attached Financial Statements

ACCOUNTING POLICIES
(see Note 4)

See attached Financial Statements

SUMMARY SHEET

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	1,124,828		1,124,828
From Investments	89,825		89,825
Other Income (including increases by revaluation of assets)	539,405		539,405
Total Income	1,754,058		1,754,058
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	1,444,887		1,444,887
Funds at beginning of year (including reserves)	3,540,079		3,540,079
Funds at end of year (including reserves)	3,849,250		3,849,250
ASSETS			
Fixed Assets			343,555
Investment Assets			2,739,791
Other Assets			1,225,831
		Total Assets	4,309,177
LIABILITIES		Total Liabilities	459,927
NET ASSETS (Total Assets less Total Liabilities)			3,849,250

GUIDANCE ON COMPLETION OF SUMMARY SHEET

The summary sheet is intended to assist in providing a simplified overview of the financial position of the organisation. It will primarily be used as the source for the information in the Certification Officer's annual report, and as a source for comparative year-on-year analysis. It does not replace any information required in the annual return which must be completed in full.

The figures in the summary report must agree with the figures presented elsewhere in the annual return.

In order for the figures on the summary sheet to balance the following must be correct.

Funds at beginning of year + Total income – Total expenditure = Funds at end of year

Total Assets – Total Liabilities = Net Assets

Funds at end of year = Net Assets

The "Total Income" figure for each set of funds must be the sum of the sources of income set out on the Summary Sheet.

The "Other Income" heading should be used to account for income received from sources other than members and investments, including recognised gains. Recognised gains include revaluation of assets and other changes in the value of assets which are not offset by and equal change in liabilities.

"All Accounts/Funds Other Than Political Funds" must include the Revenue/General Fund on page 4 and any other funds referred to on page 5 or any pages supplementary to them. The figures entered in this column must match those on pages 4 and 5.

"Funds at Beginning of Year" will be the sum of those funds reported in the previous return to this Office, plus or minus any adjustments made subsequently. For associations for which this is the first return, this figure will be the sum of those funds held by the association at the beginning of the period covered by this return.

The "Funds at End of Year" figure must be the sum of "Total Income" and "Funds at Beginning of Year" less "Total Expenditure".

The "Total Assets" figure must be the total of: "Fixed Assets" and "Other Assets" (the figures entered above it).

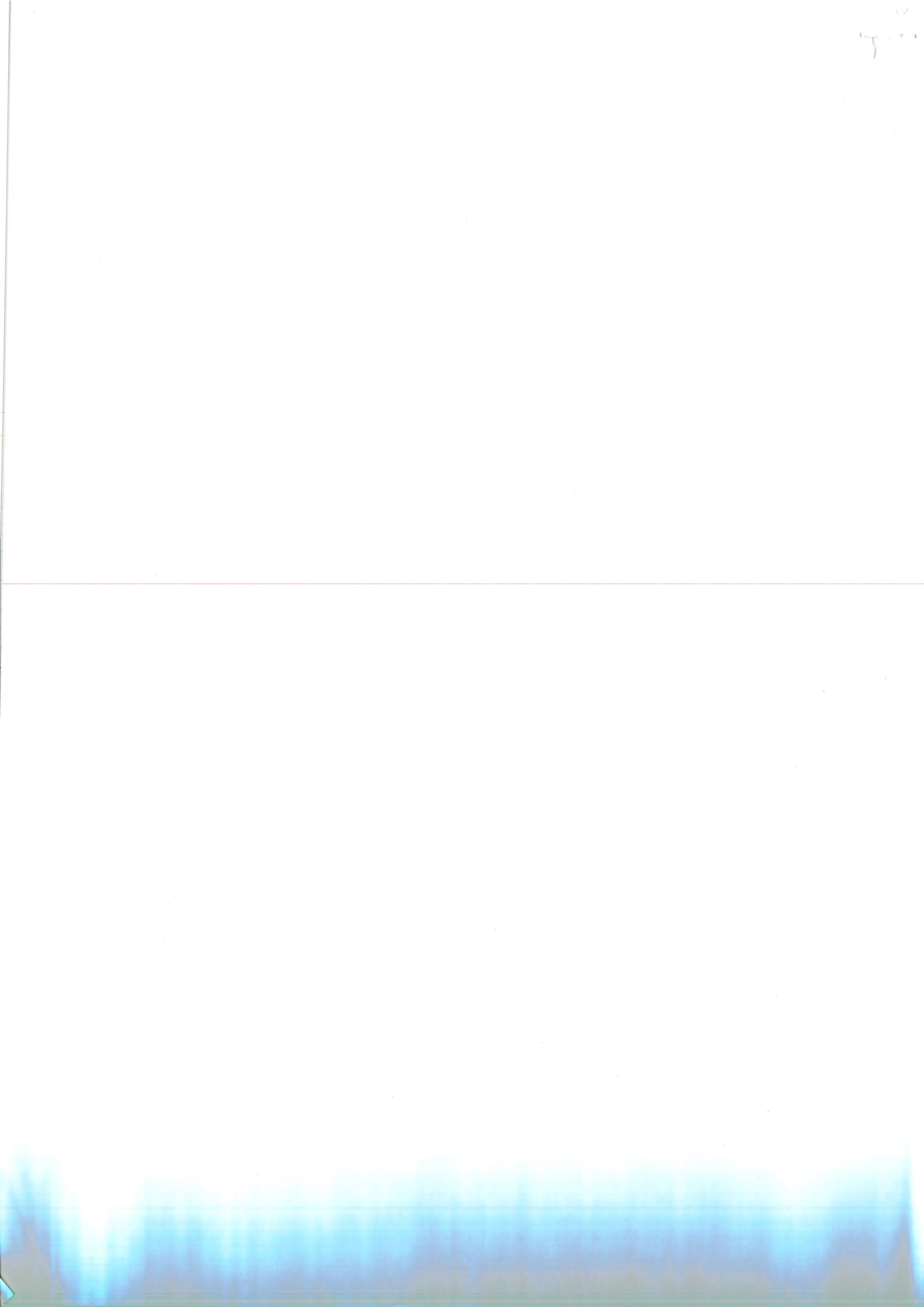
"Liabilities" must be the total of "Total Assets" less "Funds at End of Year".



ULSTER FARMERS' UNION

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2016



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ULSTER FARMERS' UNION

OFFICERS AND PROFESSIONAL ADVISERS

BOARD MEMBERS

B Bell (President)
I Ferguson (Deputy President)
V Chestnutt (Deputy President) (appointed April 2016)
I Marshall (Past President)
H Sinclair (Past President) (resigned April 2016)
T McCaughey (County Antrim Representative)
J Moore (County Antrim Representative) (resigned April 2016)
J Rollston (County Armagh Representative)
J Brown (County Down Representative)
A Wilson (County Fermanagh Representative)
N McLaughlin (County Londonderry Representative)
T Douglas (County Tyrone Representative)
M Blair (Co-opted Member)
F Hanna, ACA (Co-opted Member)
D Brown (Co-opted Member) (appointed April 2016)

CHIEF EXECUTIVE

W Aston

REGISTERED OFFICE

Dunedin
475 Antrim Road
Belfast
BT15 3DA

BANKERS

Danske Bank Limited
PO Box 183
Donegall Square West
Belfast BT1 6JS

INVESTMENT MANAGERS

Danske Bank Executor and
Trustee Company
PO Box 183
Donegall Square West
Belfast BT1 6JS

Cunningham Coates
Stockbrokers
19 Donegall Street
Belfast
BT1 2HA

NFU Mutual Unit
Managers Ltd
Mellan House
Ingave Road
Brentwood

INDEPENDENT AUDITOR

Deloitte (NI) Limited
Belfast
United Kingdom

SOLICITORS

John McKee & Son
The Linenhall
32-38 Linenhall Street
Belfast BT2 8BG



ULSTER FARMERS' UNION

EXECUTIVE COMMITTEE REPORT

The Executive Committee present their annual report, together with the financial statements and auditor's report, for the year ended 31 December 2016.

Principal activities

The principal activity of Ulster Farmers' Union ("the Union", "UFU") is that of serving the interests of local farmers.

Organisation

The Union is an unincorporated industrial and provident society governed by a rule book and run by an Executive Committee which meets on a regular basis and consists of the Union's officials and representatives from across Northern Ireland.

The Executive Committee manages the Union's affairs through a Board which comprises the Office Bearers and ten other Executive Committee members. Members are appointed to the Board and retire by rotation. The Board meet regularly (at least 9 times) throughout the year and manage the day to day aspects of the Union in conjunction with the Chief Executive.

Review of business and future developments

The Executive Committee considers the result for the year and the position of the Union at the year end to be satisfactory. The Union will continue to seek every opportunity to increase income and control expenditure.

As a direct consequence of the result of the EU referendum vote on 23 June 2016, it was anticipated that the UFU's workload will increase. A short sharp review of the Union's Brexit capacity/capability was undertaken and this review resulted in two new posts within the Union's Senior Management Team being created – an Internal Services Manager and a Policy Manager – to free up time for both the CEO and Membership Director to allow them to concentrate on both understanding and resolving Brexit implications and serving the membership of the Union.

Subsequent event

On 7 February 2017 the High Court of Justice in Northern Ireland ruled in favour of Mr Ian Marshall (former UFU President) in his action against the Northern Ireland Environment Agency (NIEA)/Department for Agriculture and Rural Development (DAERA) relating to Cross Compliance penalties. The Union had financially supported Mr Marshall's case on the basis of the precedent its result would hold for the wider membership of the Union. Total costs incurred by the Union of £125,858 are now considered by the Union's legal advisors recoverable from NIEA/DAERA, these include costs recorded in the financial statements for the year ended 31 December 2016 of £73,000. The financial statements do not reflect the accrual of any recoupment of such costs but it is the intention and expectation of the Union to pursue the substantial recovery of these costs in the current financial year.

Results

The net operating surplus/ (deficit) before fair value movement on investments for the financial year is (£3,061) (2015: surplus £126,394). The surplus for the financial year is £309,171 (2015: surplus £121,118).

Investment policy

The Union has engaged Danske Bank Executor & Trustee Company, Cunningham Coates Stockbrokers and NFU Mutual Unit Managers Limited as investment managers to pursue a policy of maximising income whilst maintaining some capital growth.

ULSTER FARMERS' UNION

EXECUTIVE COMMITTEE REPORT (Continued)

Taxation

The Union is liable to corporation tax on its investment income, interest receivable and capital gains.

Risk management

The Board have assessed the major risks to which the Union is exposed, in particular those related to the operations and finances of the Union. The Board are satisfied that systems are in place to mitigate any exposure to such major risks

Disclosure of information to auditor

Each of the persons who is a member of the Executive Committee at the date of approval of this report confirms that:

- so far as the member of the Executive Committee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each member of the Executive Committee has taken all the steps that he ought to have taken as a member of the Executive Committee in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Deloitte (NI) Limited have expressed their willingness to continue in office as auditor.

By order of the Executive Committee



ULSTER FARMERS' UNION

STATEMENT OF THE EXECUTIVE COMMITTEE'S RESPONSIBILITIES

The Executive Committee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Executive Committee has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland." The Executive Committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Union and of the surplus of the Union for that period. In preparing these financial statements, the Executive Committee is required to:

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

The Executive Committee is responsible for keeping adequate accounting records that are sufficient to show and explain the Union's transactions and disclose with reasonable accuracy at any time the financial position of the Union and enable it to ensure that the financial statements comply with the Industrial and Provident Societies Act (Northern Ireland) 1969. The Executive Committee is also responsible for safeguarding the assets of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive Committee is responsible for the maintenance and integrity of the financial information included on the Union's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Executive Committee

Chief Executive Officer

Date: 26th April 2017

W O Ashton



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

We have audited the financial statements of the Ulster Farmers' Union ("the Union") for the year ended 31 December 2016 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

This report is made solely to the Union's members, as a body, in accordance with section 43 of the Industrial and Provident Societies Act (Northern Ireland) 1969. Our audit work has been undertaken so that we might state to the Union'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 Union and the Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Executive committee and auditor

As explained more fully in the Statement of the Executive Committee's Responsibilities, the Executive Committee is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Committee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Industrial and Provident Societies Act (Northern Ireland) 1969.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ULSTER FARMERS' UNION (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Act (Northern Ireland) 1969 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Dawn Johnston

Dawn Johnston, FCA (Senior Statutory Auditor)
Deloitte (NI) Limited
Chartered Accountants and Statutory Auditor
Belfast, United Kingdom

Date: *27 June 2017*

ULSTER FARMERS' UNION

INCOME AND EXPENDITURE ACCOUNT For the year ended 31 December 2016

	Notes	2016 £	2015 £
Turnover			
Members' subscriptions	1	1,124,828	1,099,406
Donations and contributions from other organisations		528,000	516,688
Dividends and interest		79,825	72,007
Rental Income		11,110	10,900
Sundry income		11,829	8,805
Loss on sale of investments		(11,534)	(6,293)
Dividend receivable – Countryside Services Limited		10,000	10,000
		<u>1,754,058</u>	<u>1,711,513</u>
Expenses			
Staff costs	3	944,787	872,501
Administration		216,018	182,752
Legal, Accountancy and other professional fees		147,671	96,978
Travelling and out of pocket expenses		120,667	128,357
Members' services		167,243	135,904
Establishment		48,712	48,422
Contributions to representative bodies		91,763	100,660
Finance costs	4	20,258	19,545
		<u>1,757,119</u>	<u>1,585,119</u>
Net operating (deficit)/surplus before fair value movement on investments		(3,061)	126,394
Fair value movement on investments	9	371,215	(11,314)
Net operating surplus on ordinary activities before taxation	2	368,154	115,080
Taxation	5	(58,983)	6,038
Surplus for the year		<u>309,171</u>	<u>121,118</u>

All activities in the current and prior year derive from continuing operations.

There were no recognised gains or losses for the current period other than as stated above. Accordingly no statement of comprehensive income is required.



ULSTER FARMERS' UNION

BALANCE SHEET

As at 31 December 2016

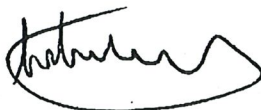
	Notes	2016	2015
		£	£
FIXED ASSETS			
Tangible assets	7	343,555 ✓	352,093
Investments	9	2,739,789	2,324,264
Investment in subsidiary	10	2	2
		<u>3,083,346</u>	<u>2,676,359</u>
CURRENT ASSETS			
Debtors	11	217,143	223,991
Cash at bank and in hand		1,008,688	1,064,874
		<u>1,225,831 ✓</u>	<u>1,288,865</u>
CURRENT LIABILITIES			
Creditors – amounts falling due within one year	12	<u>(341,395) ✓</u>	<u>(356,176)</u>
NET CURRENT ASSETS		<u>884,436</u>	<u>932,689</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,967,782	3,609,048
PROVISION FOR LIABILITIES	6	<u>(118,532) ✓</u>	<u>(68,969)</u>
NET ASSETS		<u>✓ 3,849,250</u>	<u>3,540,079</u>
Represented by:			
Reserves	13	<u>✓ 3,849,250</u>	<u>3,540,079</u>

The financial statements of Ulster Farmers Union were approved by the Executive Committee on

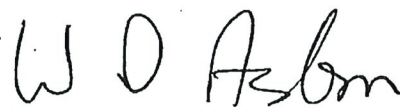
26/4/17

Signed on behalf of the Executive Committee

President



Chief Executive

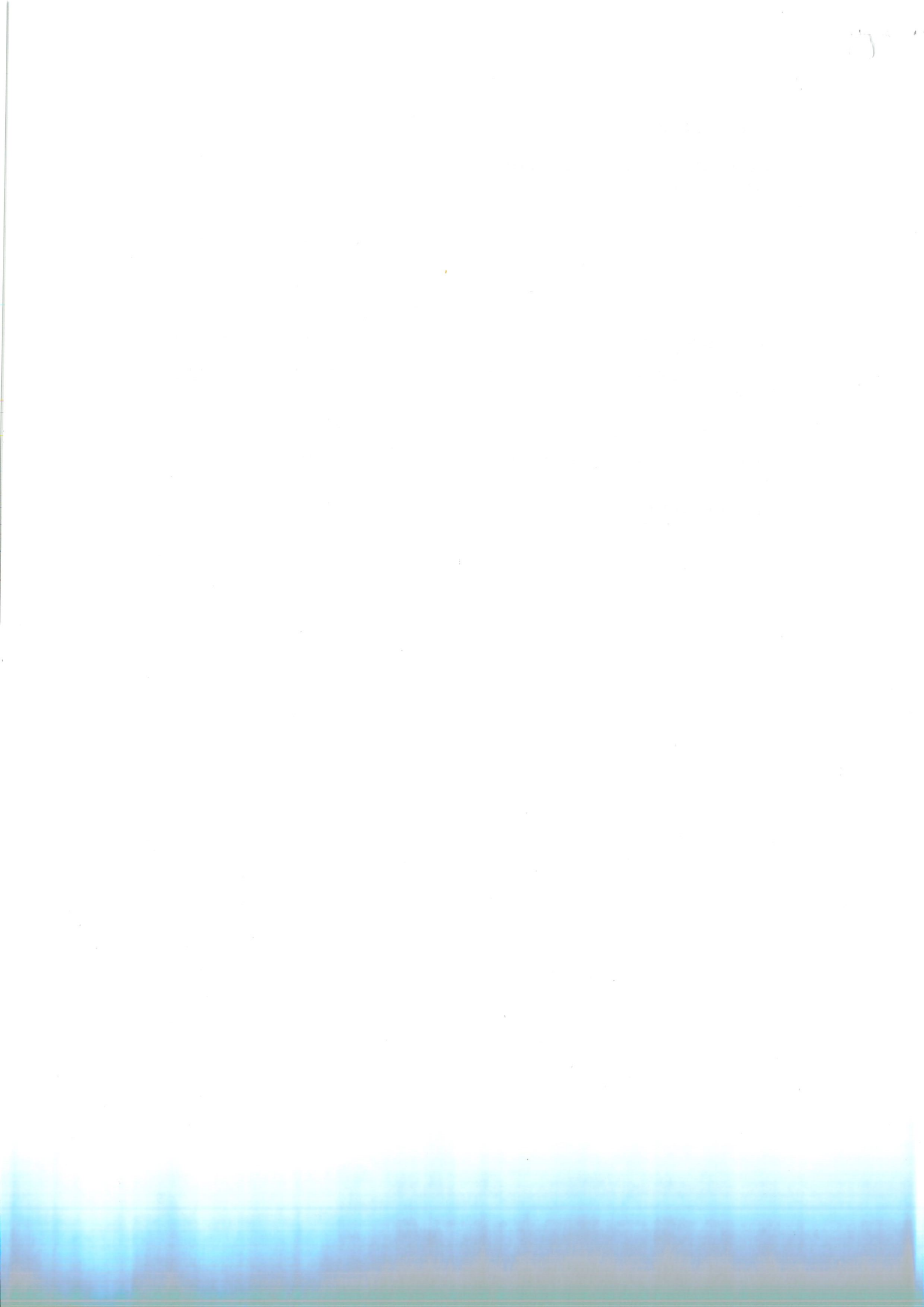




ULSTER FARMERS' UNION

**STATEMENT OF CHANGES IN EQUITY
As at 31 December 2016**

	Income and Expenditure account £	Total £
At 31 December 2014	3,418,961	3,418,961
Profit for the financial year and total comprehensive income	121,118	121,118
At 31 December 2015	<u>3,540,079</u>	<u>3,540,079</u>
Profit for the financial year and total comprehensive income	309,171	353,391
At 31 December 2016	<u><u>3,849,250</u></u>	<u><u>3,893,470</u></u>



ULSTER FARMERS' UNION

CASH FLOW STATEMENT

For the year ended 31 December 2016

	Notes	2016	2015
		£	£
Net cash flows from operating activities	14	(49,772)	115,727
Cash Flows from Investing Activities			
Purchase of tangible fixed assets	7	(15,591)	(16,803)
Purchase of fixed asset investments	9	(325,719)	(378,487)
Proceeds from fixed asset investments	9	269,875	216,884
		<u>(71,435)</u>	<u>(178,406)</u>
Taxation			
Net Corporation Tax Paid		<u>(4,546)</u>	<u>(10,822)</u>
Cash Flows from Financing Activities			
Dividends and interest received on investments		89,825	82,007
Finance costs		<u>(20,258)</u>	<u>(19,545)</u>
		<u>69,567</u>	<u>62,462</u>
Net decrease in cash and cash equivalents		(56,186)	(11,039)
Cash and cash equivalents at beginning of year		<u>1,064,874</u>	<u>1,075,913</u>
Cash and cash equivalents at end of year		<u><u>1,008,688</u></u>	<u><u>1,064,874</u></u>



ULSTER FARMERS' UNION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. ACCOUNTING POLICIES

The principal accounting policies adopted by the directors all of which have been applied consistently throughout the current and preceding year are described below:

General Information and Basis of Accounting

The Union is an unincorporated industrial and provident society governed by a rule book and run by an Executive Committee which meets on a regular basis and consists of the Union's officials and representatives from across Northern Ireland. The Union's registered address is: Dunedin, 475 Antrim Road, Belfast, BT15 3DA.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Ulster Farmers' Union is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Going Concern

The Union has considerable cash generative ability together with a healthy cash balance at year end. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Having considered the risks and the current economic environment as well as future forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Unincorporated parent undertaking

The financial statements contain information about the Union as an individual undertaking and do not contain consolidated financial information as the parent of a group. The Union is exempt under Section 9 of FRS 102 from the requirement to prepare consolidated financial statements on the basis of the group it heads being classified as small.

Turnover

Subscription income represents the amounts received by the Union in the year from members for annual subscriptions to the Union and is included in the income and expenditure account upon receipt of the cash by the Union for the relevant subscription in each financial year. Interest receivable is recognised in the income and expenditure account as interest accrues. Dividends are recognised when the Union's right to receive payment is established. Donations are recognised in the income and expenditure account on a cash basis as received by the Union. Rental and sundry income are recognised on the delivery of services.

ULSTER FARMERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets less residual value, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

Long leasehold land and premises	–	2%
Furniture, fixtures and fittings	–	10%
Computer equipment	–	33⅓%

Investments

Investments in ordinary shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the related contractual arrangements.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.



ULSTER FARMERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2016

1. ACCOUNTING POLICIES (CONTINUED)

Pension costs

The Union operates a defined contribution pension scheme for employees. Contributions are charged in the income and expenditure accounts as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Fair Value Measurement

The best evidence of fair value is quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant time lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the UK tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to the reversal of the timing difference.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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.

There are no critical judgements in place within the entity.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data.

In the second section, the author details the various methods used to collect and analyze the data. This includes both manual and automated processes. The goal is to ensure that the data is as accurate and reliable as possible.

The third section provides a comprehensive overview of the results obtained from the analysis. It highlights key trends and patterns that have emerged from the data. These findings are crucial for understanding the underlying dynamics of the system being studied.

Finally, the document concludes with a series of recommendations based on the findings. These suggestions are intended to help improve the efficiency and accuracy of the data collection and analysis process in the future.



ULSTER FARMERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

2. NET OPERATING SURPLUS ON ORDINARY ACTIVITIES BEFORE TAX

This is stated after charging/(crediting):

	2016 £	2015 £
Staff costs (note 3)	944,787	872,501
Depreciation – owned assets	24,129	20,595
Loss on sale of investments	11,534	6,293
Fees payable to the Union's auditor for the audit of the annual accounts	7,000	7,000
Fees payable to the Union's auditor for non-audit services – tax compliance	2,500	2,500
Rental income	(11,110)	(10,900)
Fair value movement on investments	371,215	(11,314)
	<u>944,787</u>	<u>872,501</u>

3. EMPLOYEE INFORMATION

Staff costs:	2016 £	2015 £
Wages and salaries	860,654	816,258
Social security costs	49,635	33,760
Other pension costs	34,498	22,483
	<u>944,787</u>	<u>872,501</u>

	2016 No.	2015 No.
Average monthly number of persons employed by the Union	<u>82</u>	<u>85</u>

4. FINANCE COSTS

	2016 £	2015 £
Investment management costs and bank interest	<u>20,258</u>	<u>19,545</u>

ULSTER FARMERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2016

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Tax on ordinary activities

The tax charge is made up as follows:

	2016	2015
	£	£
Current tax on profit on ordinary activities		
UK Corporation tax	13,572	6,220
Prior period adjustment	(4,152)	(273)
Total current tax	<u>9,420</u>	<u>5,947</u>
Deferred tax		
Origination and reversal of timing differences	53,395	(3,890)
Effect of decrease in tax rate on opening liability	(3,832)	(8,095)
Total deferred tax (see note 6)	<u>49,563</u>	<u>(11,985)</u>
Total tax on profit on ordinary activities	<u><u>58,983</u></u>	<u><u>(6,038)</u></u>

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows.

The tax assessed for the year varies from the standard rate of corporation tax in the UK for small companies of 20% (2014 – 20%). The differences are explained below:

	2016	2015
	£	£
Surplus for the year before tax	<u>368,154</u>	<u>115,080</u>
Taxable surplus multiplied by standard rate of corporation tax in the UK for small companies of 20% (2014 – 20%)	73,631	23,016
Effects of:		
Net non taxable income	(10,902)	(20,245)
Prior period credit	(4,152)	(273)
Effective change in rate	406	(8,536)
Total tax charge/ (credit) for the year	<u><u>58,983</u></u>	<u><u>(6,038)</u></u>

Future tax impacts

The standard rate of tax applied to profit on ordinary activities is 20% (2015: 20%). The Finance Act 2015 reduced the rate of corporation tax from 20% to 19% from 1 April 2017. Following the substantive enactment of the Finance Act 2016 the rate of corporation tax will fall from 18% to 17% on 1 April 2020. These changes will affect the future tax charges of Ulster Farmers Union. It is not expected that this rate reduction will have a material impact on Ulster Farmers Union.

ULSTER FARMERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

6. DEFERRED TAX

Deferred tax is provided as follows:

	2016 £	2015 £
At 1 January	68,969	80,954
Change in Rate (18% to 17%)	(3,832)	(8,095)
Current year deferred tax movement	53,395	(3,890)
At 31 December	<u>118,532</u>	<u>68,969</u>

Deferred tax is provided as follows

	£	£
Deferred tax arising in relation to listed investments	<u>118,532</u>	<u>68,969</u>
Provision for deferred tax	<u>118,532</u>	<u>68,969</u>

7. TANGIBLE FIXED ASSETS

	Long Leasehold Land and Premises £	Furniture, fixtures and fittings £	Computer equipment £	Total £
Cost:				
At 1 January 2016	510,084	107,969	183,820	801,873
Additions	1,935	350	13,306	15,591
At 31 December 2016	<u>512,019</u>	<u>108,319</u>	<u>197,126</u>	<u>817,464</u>
Accumulated depreciation:				
At 1 January 2016	189,716	92,772	167,292	449,780
Charge for the year	10,205	3,291	10,633	24,129
At 31 December 2016	<u>199,921</u>	<u>96,063</u>	<u>177,925</u>	<u>473,909</u>
Net book value:				
At 31 December 2016	<u>312,098</u>	<u>12,256</u>	<u>19,201</u>	<u>343,555</u>
At 31 December 2015	<u>320,368</u>	<u>15,197</u>	<u>16,528</u>	<u>352,093</u>

ULSTER FARMERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

8. FINANCIAL INSTRUMENTS

(a) Overview

This note provides details of the Union's financial instruments. Except where otherwise stated, the disclosures in this note exclude retirement benefit assets and obligations.

Liabilities or assets that are not contractual (such as income taxes, prepayments, provisions and deferred income) are not financial assets or financial liabilities and accordingly are excluded from the disclosures provided in this note.

Details of the significant accounting policies and methods adopted for each class of financial asset and financial liability are disclosed in the accounting policies note.

(b) Categories and carrying value of financial instruments

The carrying values of the Union's financial assets and liabilities are summarised by category below:

	2016 £	2015 £
Financial Assets		
Measured at fair value through profit or loss		
Investments in listed equity instruments (see note 9)	2,739,789	2,324,264
Measured at undiscounted amount receivable		
Trade and other debtors	136,930	150,202
Equity instruments measured at cost less impairment		
Fixed asset investments in subsidiary undertakings	2	2
	<u>2,876,721</u>	<u>2,474,468</u>
Financial Liabilities		
Measured at undiscounted amount payable		
Trade and other creditors	317,196	323,790
	<u>317,196</u>	<u>323,790</u>

(c) Fair value measurements recognised in the balance sheet

Financial instruments that are measured in the balance sheet at fair value are disclosed by level of the following fair value measurement hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 - Valuation techniques that include inputs for the assets or liability that are not based on observable data (that is, unobservable inputs).

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data.

In the second section, the author details the various methods used to collect and analyze the data. This includes both manual and automated processes. The goal is to ensure that the data is as accurate and reliable as possible.

The third section provides a comprehensive overview of the results obtained from the analysis. It highlights key trends and patterns that have emerged from the data. These findings are crucial for understanding the underlying dynamics of the system being studied.

Finally, the document concludes with a series of recommendations based on the findings. These suggestions are intended to help improve the efficiency and accuracy of the data collection and analysis process in the future.

ULSTER FARMERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2016

8. FINANCIAL INSTRUMENTS (CONTINUED)

	2016 Level 1 £	2015 Level 1 £
Financial Assets		
Investments in listed equity instruments (see note 9)	2,739,789	2,324,264

(d) Financial risk management objectives

The Union's activities expose it to a variety of financial risks, principally:

- Market risk - mainly price risk.
- Credit risk and
- Liquidity risk

The Union's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to reduce the likelihood and/or magnitude of adverse effects on the financial performance and financial position of the entity.

This note presents qualitative information about the Union's exposure to each of the above risks, including the Union's objectives, policies and processes for measuring and managing risk. There have been no significant changes to these matters during the year ended 31 December 2016. This note also provides summary quantitative data about the Union's exposure to each risk.

The Board have approved policies on investments which guide management and investment managers in managing risk in these areas. The Board is responsible for ensuring these policies are implemented. Certain financial risk management activities (for example, the management of credit risk arising from trade and other receivables) are devolved to the management team and finance personnel.

(i) Market Risk

Market risk is the risk that changes in market prices, such as commodity prices, interest rates and exchange rates will affect the Union's financial performance and/or financial position. The objective of the Union's management of market risk is to manage and control market risk exposures within acceptable parameters. The Union does not consider currency risk or interest rate risk to be material as they do not transact in a foreign currency and its borrowings being limited to its overdraft.

There has been no change to the Union's exposure to market risks or the manner in which these risks are managed and measured.

(ii) Credit Risk

Credit risk is the risk of financial loss to the Union if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk is managed by a combination of Finance and Board members, and arises from credit exposures to amounts due from outstanding receivables and committed transactions.

The Union's objective is to minimise credit risk to an acceptable level whilst not overly restricting the Union's ability to generate a surplus. It is the Union's policy to invest cash assets safely and profitably. To control credit risk, counterparty credit limits are set by reference to published credit ratings.



ULSTER FARMERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

8. FINANCIAL INSTRUMENTS (CONTINUED)

The credit risk on investments is limited because the counterparties are investment managers with high credit ratings assigned by international credit rating agencies.

In determining whether a financial asset is impaired, the Union takes account of:

- The fair value of the asset at the balance sheet date and where applicable, the historic fair value of the asset.
- In the case of receivables, the counterparty's typical payment patterns
- In the case of receivables, the latest information on the counterparty's creditworthiness such as available financial statements, credit ratings etc.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Union's maximum exposure to credit risk as no collateral or other credit enhancements are held.

The Union does not hold any collateral in respect of its credit risk exposures set out above (2015:Nil) and has not taken possession of any collateral or called for other credit enhancements during the year ended 31 December 2016.

(iii) Liquidity Risk

Liquidity risk is the risk that the Union will encounter difficulty in meeting its financial obligations as they fall due. The Union's objective in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Union's reputation.

9. INVESTMENTS

	Listed investments £
At 1 January 2016	2,324,264
Additions	325,719
Disposals	(281,409)
Movement in the fair value of listed investments	371,215
	<hr/>
At 31 December 2016	2,739,789
	<hr/>
Fair Value	
At 31 December 2015	2,324,264
	<hr/> <hr/>

The above listed investments had a cost at 31 December 2016 of £2,026,018 (2015: £1,941,101).



ULSTER FARMERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

10. FIXED ASSET INVESTMENT

Interest in group undertakings

Details of the Union's investment in the ordinary shares of its wholly owned subsidiary are as follows:

	2016	2015
	£	£
Cost:		
Countryside Services Limited	2	2

Details of the Union's direct and indirect subsidiaries are as follows:

Name of undertaking	Country of Incorporation	Description of shares held	Proportion of nominal value of issued shares held by:
<i>Direct Subsidiary</i>			
Countryside Services Limited	Northern Ireland	Ordinary £1 shares	100%
<i>Indirect Subsidiaries held through Countryside Services Limited</i>			
Dalton Livestock Identification Limited	Northern Ireland	Ordinary £1 shares	100%
Precision Livestock Measurement Limited	Northern Ireland	Ordinary £1 shares	60%

Results and capital of subsidiaries

The following figures have been extracted from the unaudited accounts of Countryside Services Limited for the year ended 31 December 2016, the unaudited accounts of Dalton Livestock Identification Limited for the year ended 31 December 2016 and the unaudited accounts of Precision Livestock Measurement Limited for the year ended 31 May 2016. Both Dalton Livestock Identification Limited and Precision Livestock Measurement Limited do not prepare audited statutory accounts as they are below the audit exemption threshold.

	Share Capital	Reserves	Retained Profit/(Loss) for the year
	£	£	£
Countryside Services Limited	2	658,175	(29,365)
	2	658,175	(29,365)
Dalton Livestock Identification Limited	1	5,636	(9,799)
	1	5,636	(9,799)

ULSTER FARMERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2016

10. FIXED ASSET INVESTMENT (continued)

Interest in group undertakings (continued)

	Share Capital	Reserves	Retained Profit/(Loss) for the year £
	£	£	£
Precision Livestock Measurement Limited	100	(25,634)	(17,564)
	<u>100</u>	<u>(25,634)</u>	<u>(17,564)</u>

11. DEBTORS

	2016 £	2015 £
Trade debtors	70,285	83,983
Amounts due from group undertaking	21,395	30,122
Prepayments and accrued income	125,463	109,886
	<u>217,143</u>	<u>223,991</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	153,992	85,891
Corporation tax	7,450	2,576
Other creditors	154,093	173,378
Accruals	25,860	94,331
	<u>341,395</u>	<u>356,176</u>

13. RESERVES

Reserves represent cumulative profits and losses.

ULSTER FARMERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

14. RECONCILIATION OF OPERATING SURPLUS ON ORDINARY ACTIVITIES BEFORE TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Net operating surplus on ordinary activities before tax	368,154	115,080
Depreciation charge	24,129	20,595
Finance costs	20,258	19,545
Dividends and interest income on investments	(89,825)	(82,007)
Loss/(Profit) on sale of investment	11,534	6,293
Decrease/(increase) in debtors	6,848	(30,024)
(Decrease)/increase in creditors	(19,655)	54,931
(Gain)/loss in fair value of investments	(371,215)	11,314
	<u>(49,772)</u>	<u>115,727</u>

15. SUBSEQUENT EVENT

On 7 February 2017 the High Court of Justice in Northern Ireland ruled in favour of Mr Ian Marshall (former UFU President) in his action against the Northern Ireland Environment Agency (NIEA)/Department for Agriculture and Rural Development (DAERA) relating to Cross Compliance penalties. The Union had financially supported Mr Marshall's case on the basis of the precedent its result would hold for the wider membership of the Union. Total costs incurred by the Union of £125,858 are now considered by the Union's legal advisors recoverable from NIEA/DAERA, these include costs recorded in the financial statements for the year ended 31 December 2016 of £73,000. The financial statements do not reflect the accrual of any recoupment of such costs but it is the intention and expectation of the Union to pursue the substantial recovery of these costs in the current financial year.

16. RELATED PARTY TRANSACTIONS

Countryside Services Limited is regarded as a related party as defined by Section 33 of FRS 102 due to the Ulster Farmers' Unions shareholding in Countryside Services Limited. The Ulster Farmers' Union will make payments for some costs on behalf Countryside Services Limited and then recharge these amounts to Countryside Services Limited. Amounts due from Countryside Services Limited at year end are detailed in note 11 as amounts due from group undertakings.

Balances due from other related parties are £50,000 (2015: £50,000) to Animal, Health and Welfare NI Limited, which is related by a Board member being a Director in this Company.

Other related party transactions

The total remuneration for key management personnel for 2016 is £146,534 (2015: £139,765). The key management personnel are the President, Deputy Presidents and Chief Executive Officer. The President received £37,333 (2015: £36,000) and the two Deputy Presidents' received £18,667 (2015: £18,000) in 2016. The CEO received £66,300 (2015: £65,000) (excluding £6,000 other benefits in both years). The other Board Members do not receive any remuneration (2015: £Nil).

Balances due to other related parties are £525 (2015: £nil) to Barclay Bell (President) and £1,275 (2015: £nil) to Victor Chestnutt (Deputy President), in connection with reimbursement of expenses.

