

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

BOARD OF MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

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THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE FEDERATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

Principal office

Yfc Centre, Unit 178/9 10th Street
Stoneleigh Park
Kenilworth
CV8 2LG

Independent auditor

Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

BOARD OF MANAGEMENT'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT OF BOARD OF MANAGEMENT'S RESPONSIBILITIES

The Friendly Societies Act 1974 requires the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Federation and of the surplus or deficit of the Federation for that period. In preparing those financial statements the Board of Management are required to:

- Select suitable accounting policies and then apply consistently;
- Make judgement and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis, unless it is appropriate to presume that the Federation will continue in business.

The Board of Management is responsible for keeping proper accounting records with respect to its transactions and its assets and liabilities which disclose with reasonable accuracy at any time, the financial position of the Federation. The Board of Management is also responsible for the establishment and maintenance of a satisfactory system of control of its books of account, its cash holdings and all its receipts and remittances to enable them to ensure that the financial statements comply with the Friendly Societies Act 1974. The Board of Management is also responsible for safeguarding the assets of the Federation and hence, for taking reasonable steps for the prevention and detection of fraud. Board of Management members recognise these responsibilities and have ensured that the necessary safeguards are in place.

So far as the members of the Board of Management are concerned, there is no relevant information (information needed by the Federation's auditor in connection with preparing their report) of which the Federation's auditor is unaware. Each member of the Board of Management has taken all the steps that he ought to have taken as a member of the Board of Management in order to make himself aware of any relevant audit information and to establish that the Federation's auditor is aware of that information.

RESERVES POLICY

General reserves at the year end stood at £1,719,189. The Federation's Reserves Policy is to maintain freely available reserves equivalent to between six and twelve months of budgeted operating expenditure. Given the planned capital investment in refurbishing the YFC Centre, and the risk of a significant change in the value of the Federation's investments, the Board of Management is satisfied that the current level of reserves is appropriate.

RISK REVIEW

The Board of Management has considered the risks to which the Federation is exposed and has established systems for mitigating those risks. External risks have been minimised by the adoption of procedures to ensure that the Federation implements all statutory requirements, particularly in respect of Health and Safety, Child Protection and other legislation. Annual budgets are prepared and reviewed every year and include strategies for securing funds from a wide range of sources. Internal risks are minimised by implementing procedures for authorising transactions, projects, etc., and to ensure consistent quality of delivery for all operational aspects of the Federation. The Board of Management reviews these procedures periodically.

INVESTMENT POLICY

Funds have been invested in fixed interest government stocks, corporate bonds and UK and other equities. The Board of Management considers that the returns on these funds are satisfactory.

ANNUAL MEMBERS' CONVENTION

Following deliberation by the Board of Management, a decision was taken to discontinue the annual members convention from 2019 onwards.

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF MANAGEMENT OF THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

Opinion

We have audited the financial statements of The National Federation of Young Farmers' Clubs (the 'Society') for the year ended 31 December 2019 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the balance sheet gives a true and fair view of the state of the Society's affairs as at 31 December 2019;
- the statement of financial activities gives a true and fair view of the income and expenditure of the Society as a whole for that year of account;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Friendly Societies Act 1974 (the Act).

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 Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board of Management's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Management have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF MANAGEMENT OF THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

Other information

The Board of Management is 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 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 in relation to which the Act requires us to report to you if, in our opinion:

- the Society has not kept proper books of account in accordance with the requirements of section 29(1)(a) of the Act;
- the Society has not maintained a satisfactory system of control over its transactions in accordance with the requirements of section 29(1)(b) of the Act;
- the financial statements are not in agreement with the books of account of the Society; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board of Management

As explained more fully in the Board of Management's responsibilities statement, the Board of Management are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Board of Management 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 Board of Management are responsible for assessing the Society'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 Board of Management either intend to cease operations, or have no realistic alternative but to do so.

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF MANAGEMENT OF THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

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.

A further description of our responsibilities for the audit of the financial statements is located 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 Society in accordance with Section 38 of the Friendly Societies Act 1974. Our audit work has been undertaken so that we might state to the Society 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 Society for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG
Date:

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations, sponsorship and legacies	2	101,334	134,236	235,570	192,453
Charitable activities:					
Membership levy		396,698	-	396,698	351,443
Membership convention		-	-	-	421,172
Investments:					
Gift aid donation from subsidiary	3	52,000	-	52,000	35,000
Other investment income		39,335	19,549	58,884	57,101
Other income	4	61,651	-	61,651	56,715
Total income		651,018	153,785	804,803	1,113,884
Expenditure on:					
Charitable activities:					
Direct programme expenditure		263,699	127,226	390,925	604,324
Other expenditure		442,680	9,386	452,066	464,581
Total expenditure	5	706,379	136,612	842,991	1,068,905
Net income / (expenditure) before investment gains/(losses)					
Net gains/(losses) on investments	9	(55,361)	17,173	(38,188)	44,979
		220,437	109,553	329,990	(158,070)
Net income / (expenditure) before transfers		165,076	126,726	291,802	(113,091)
Transfers between Funds	14	(52,465)	52,465	-	-
Net income / (expenditure) before other recognised gains and losses		112,611	179,191	291,802	(113,091)
Net movement in funds		112,611	179,191	291,802	(113,091)
Reconciliation of funds:					
Total funds brought forward		1,610,625	988,335	2,598,960	2,712,051
Total funds carried forward		1,723,236	1,167,526	2,890,762	2,598,960

The notes on pages 8 to 22 form part of these financial statements.

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

**BALANCE SHEET
AS AT 31 DECEMBER 2019**

	Note	£	2019 £	£	2018 £
Fixed assets					
Intangible assets	7		4,047		4,524
Tangible assets	8		5,686		8,427
Investments	9		2,990,105		2,711,755
			<u>2,999,838</u>		<u>2,724,706</u>
Current assets					
Stocks		2,210		6,333	
Debtors	10	74,693		32,149	
Cash at bank and in hand		364,480		390,108	
		<u>441,383</u>		<u>428,590</u>	
Creditors: amounts falling due within one year	11	(472,982)		(410,336)	
Net current (liabilities)/assets			<u>(31,599)</u>		<u>18,254</u>
Total assets less current liabilities			<u>2,968,239</u>		<u>2,742,960</u>
Creditors: amounts falling due after more than one year	12		(77,477)		(144,000)
Net assets			<u>2,890,762</u>		<u>2,598,960</u>
Charity Funds					
Restricted funds	14		1,167,526		988,335
Unrestricted funds	14		1,723,236		1,610,625
Total funds			<u>2,890,762</u>		<u>2,598,960</u>

The financial statements were approved by the Board of Management on their behalf, by:

and signed on

James Eckley
Secretary

Dewi Parry
Board of Management

Daniel Harries
Board of Management

The notes on pages 8 to 22 form part of these financial statements.

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Friendly Societies Act 1974.

The National Federation of Young Farmers' Clubs constitutes a public benefit entity as defined by FRS 102.

In the opinion of the Board of Management, the Federation and its subsidiary, HOPS Labour Solutions Limited, comprise a small group. These financial statements present information about the Federation as an individual undertaking and not about it as a group.

1.2 Going concern

The Board are of the view that the friendly society holds sufficient current assets to meet its obligations for the foreseeable future and the accounts are therefore prepared on a going concern basis.

1.3 Income

Donations, sponsorship and grants receivable for specific purposes are recognised as income when the amount receivable can be reliably measured, receipt is probable and the Federation is entitled to the income.

All other income is accounted for on an accruals basis.

1.4 Expenditure

Charitable activities and Governance costs are costs incurred on the Federation's operations, including support costs and costs relating to the governance of the Federation apportioned to charitable activities.

The resources expended are classified under the Federation's functional categories of expenditure rather than the type of expense in order to provide more useful information. Costs included within each functional category comprise direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with budgeted use of resources.

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting Policies (continued)

1.5 Intangible fixed assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Software	-	5 years straight line basis
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1.6 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short-term leasehold property	-	over the period of the lease
Furniture and equipment	-	3-7 years straight line basis

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

The investment policy of the trustees is long term to ensure the protection of the Federation's capital base as well as providing an annual income. The effect of this policy is that the surplus arising on the annual revaluation of investments is not regarded as available for distribution.

Investments in subsidiary undertakings are stated at cost.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.10 Financial instruments

The Federation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting Policies (continued)

1.11 Pensions

The Federation operates a defined contribution pension scheme and the cost is charged to the Statement of financial activities.

The Federation also participates in a multi-employer defined benefit pension scheme. It is not possible for the Federation to obtain sufficient information to enable it to account for the scheme as a defined benefit therefore it is accounted for as a defined contribution scheme.

1.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Board of Management in furtherance of the general objectives of the Federation and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Board of Management for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Federation for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Donations and sponsorship	52,704	-	52,704	78,983
Grants	48,630	134,236	182,866	113,470
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	101,334	134,236	235,570	192,453
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2018</i>	<i>188,953</i>	<i>3,500</i>	<i>192,453</i>	
	<hr/>	<hr/>	<hr/>	

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Grants received:

	2019 £	2018 £
Defra	20,930	35,970
Jonathan Billing Charitable Trust	80,000	40,000
Rural Youth Europe	8,214	-
Erasmus+	23,092	-
Elizabeth Creak Charitable Trust	15,000	-
NFU Mutual Charitable Trust	30,000	30,000
Rural Youth Trust	2,880	4,000
The Henry Plumb Foundation	2,000	-
William A. Cadbury Charitable Trust	750	-
Youth Social Action	-	3,500
	182,866	113,470

3. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	39,335	19,549	58,884	57,101
Gift aid donation from HOPS	52,000	-	52,000	35,000
	91,335	19,549	110,884	92,101
<i>Total 2018</i>	71,478	20,623	92,101	

4. Other income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Club supplies	3,471	3,471	4,361
Competition income	7,758	7,758	6,005
Other receipts	50,422	50,422	46,349
Total	61,651	61,651	56,715
<i>Total 2018</i>	56,715	56,715	

Income from shared services, within other receipts, is shown net of expenditure of £8,694 (2018 - £11,718) in respect of Council Members Fares Pool.

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Analysis of resources expended

	Salary costs £	Other costs £	Depreciation & amortisation £	2019 £	2018 £
Direct programme expenditure					
Membership convention	-	-	-	-	218,762
Club supplies	5,055	14,414	-	19,469	17,613
Youth work and training	123,266	35,175	-	158,441	150,890
Travel	18,652	7,196	-	25,848	23,509
Competitions	52,946	28,420	-	81,366	81,861
Youth social action	-	-	-	-	12,506
Agriculture and rural issues	43,360	27,952	-	71,312	99,183
Rural Youth Europe Rally 2019	-	34,489	-	34,489	-
Sub total	243,279	147,646	-	390,925	604,324
Other expenditure					
Central	67,631	58,841	972	127,444	112,034
Management	23,633	5,575	-	29,208	55,927
Governance	57,006	32,595	-	89,601	72,717
Fundraising and marketing	66,168	85,659	-	151,827	181,934
Information technology	33,411	17,809	2,766	53,986	41,969
Sub total	247,849	200,479	3,738	452,066	464,581
Total	491,128	348,125	3,738	842,991	1,068,905
<i>Total 2018</i>	<i>502,873</i>	<i>563,035</i>	<i>2,997</i>	<i>1,068,905</i>	

6. Net income/(expenditure)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charity	2,741	2,841
Amortisation of intangible fixed assets	997	-
Auditor's remuneration - audit	10,000	13,300
Auditor's remuneration - other services	1,500	-
Operating lease rentals	5,314	18,815

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Intangible fixed assets

	Software £
Cost	
At 1 January 2019	4,680
Additions	520
	5,200
At 31 December 2019	5,200
Amortisation	
At 1 January 2019	156
Charge for the year	997
	1,153
At 31 December 2019	1,153
Carrying amount	
At 31 December 2019	4,047
<i>At 31 December 2018</i>	4,524

8. Tangible fixed assets

	Short-term leasehold property £	Furniture and equipment £	Total £
Cost			
At 1 January 2019 and 31 December 2019	67,144	29,560	96,704
	67,144	29,560	96,704
Depreciation			
At 1 January 2019	67,144	21,133	88,277
Charge for the year	-	2,741	2,741
	67,144	23,874	91,018
At 31 December 2019	67,144	23,874	91,018
Net book value			
At 31 December 2019	-	5,686	5,686
<i>At 31 December 2018</i>	-	8,427	8,427

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Fixed asset investments

	Listed investments £	Deposit with broker £	Shares in subsidiary £	Total £
Market value				
At 1 January 2019	2,677,894	33,858	3	2,711,755
Additions	475,213	23,898	-	499,111
Disposals	(521,598)	-	-	(521,598)
Revaluations	300,837	-	-	300,837
	<u>2,932,346</u>	<u>57,756</u>	<u>3</u>	<u>2,990,105</u>
At 31 December 2019	<u>2,932,346</u>	<u>57,756</u>	<u>3</u>	<u>2,990,105</u>
Historical cost	<u>2,267,866</u>	<u>57,756</u>	<u>3</u>	<u>2,325,625</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Holding
HOPS Labour Solutions Limited	100%

Certain Trustees of the Federation own as nominees the share capital of HOPS Labour Solutions Limited.

The aggregate of the share capital and reserves as at 31 December 2019 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
HOPS Labour Solutions Limited	<u>409,665</u>	<u>39,018</u>

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Debtors

	2019 £	2018 £
Trade debtors	22,687	12,192
Prepayments and accrued income	52,006	19,957
	74,693	32,149
	74,693	32,149

11. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts received in advance	294,357	249,520
Trade creditors	18,355	33,979
Amounts owed to subsidiary	13,216	10,194
Other taxation and social security	18,548	19,934
Pension liability (see note 15)	18,226	25,000
Accruals and deferred income	110,280	71,709
	472,982	410,336
	472,982	410,336

Deferred income

Deferred income at 1 January 2019		28,305
Resources deferred during the year		73,235
Amounts released from previous years		(28,305)
		73,235
Deferred income at 31 December 2019		73,235

12. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Pension liability (see note 15)	77,477	144,000
	77,477	144,000

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Financial instruments

	2019	2018
	£	£
Financial assets measured at fair value through income and expenditure	3,244,585	3,101,863
Financial assets measured at amortised cost	22,687	12,192
	<u>3,267,272</u>	<u>3,114,055</u>
Financial liabilities measured at amortised cost	<u>68,616</u>	<u>87,577</u>

Financial assets measured at fair value through income and expenditure comprise listed investments and cash at bank and held as investment.

Financial assets measured at amortised cost comprise trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts due to subsidiary and other creditors.

The Federations income, expense, gains and losses in respect of financial assets are summarised below:

	2019	2018
	£	£
Total investment income for financial assets measured at fair value through income and expenditure	110,884	92,101
Net gains/(losses) on financial assets are measured at fair value through income and expenditure	329,990	(158,070)
Impairment losses / (gains) on financial assets measured at amortised cost	66	(53)
	<u>66</u>	<u>(53)</u>

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. Statement of funds

Statement of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds						
Fieldwork fund	7,653	-	(5,313)	-	-	2,340
International fund	29,432	-	-	-	-	29,432
Building fund	35,923	-	(972)	-	-	34,951
J Billing Charitable fund	104,514	-	-	(104,514)	-	-
Rural Youth Trust	-	2,880	(2,880)	-	-	-
William A. Cadbury Charitable Trust	-	750	(750)	-	-	-
Investment reserve	-	-	-	52,049	-	52,049
	<u>177,522</u>	<u>3,630</u>	<u>(9,915)</u>	<u>(52,465)</u>	<u>-</u>	<u>118,772</u>
General funds						
General Funds	1,433,103	602,388	(651,464)	-	220,437	1,604,464
NFU Mutual Trust	-	30,000	(30,000)	-	-	-
Elizabeth Creak Trust	-	15,000	(15,000)	-	-	-
	<u>1,433,103</u>	<u>647,388</u>	<u>(696,464)</u>	<u>-</u>	<u>220,437</u>	<u>1,604,464</u>
Total Unrestricted funds	<u>1,610,625</u>	<u>651,018</u>	<u>(706,379)</u>	<u>(52,465)</u>	<u>220,437</u>	<u>1,723,236</u>
Restricted funds						
YFC Centre endowment fund	414,270	9,386	(9,386)	-	52,600	466,870
King George VI development fund	448,554	10,163	(10,163)	-	56,953	505,507
Investment reserve	52,049	-	-	(52,049)	-	-
International fund	31,166	-	(1,720)	-	-	29,446
Cotterell fund	2,824	-	-	-	-	2,824
Australia fund	29,460	-	(282)	-	-	29,178
Wheatland memorial trust	10,012	-	(825)	-	-	9,187
Defra grant	-	20,930	(20,930)	-	-	-
J Billing Charitable fund	-	80,000	(60,000)	104,514	-	124,514
Rural Youth Europe	-	8,214	(8,214)	-	-	-
Erasmus+	-	23,092	(23,092)	-	-	-
Henry Plumb Foundation	-	2,000	(2,000)	-	-	-
	<u>988,335</u>	<u>153,785</u>	<u>(136,612)</u>	<u>52,465</u>	<u>109,553</u>	<u>1,167,526</u>
Total of funds	<u>2,598,960</u>	<u>804,803</u>	<u>(842,991)</u>	<u>-</u>	<u>329,990</u>	<u>2,890,762</u>

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2018 £</i>
Designated funds						
Fieldwork fund	12,904	-	(5,251)	-	-	7,653
International fund	29,432	-	-	-	-	29,432
Building fund	36,896	-	(973)	-	-	35,923
J Billing Charitable fund	104,514	40,000	(40,000)	-	-	104,514
Defra grant	-	35,970	(35,970)	-	-	-
NFU Mutual Trust	-	30,000	(30,000)	-	-	-
Rural Youth Trust	-	4,000	(4,000)	-	-	-
	<u>183,746</u>	<u>109,970</u>	<u>(116,194)</u>	<u>-</u>	<u>-</u>	<u>177,522</u>
General funds						
General funds	1,473,577	979,791	(918,358)	-	(101,907)	1,433,103
Total Unrestricted funds	<u>1,657,323</u>	<u>1,089,761</u>	<u>(1,034,552)</u>	<u>-</u>	<u>(101,907)</u>	<u>1,610,625</u>
Restricted funds						
YFC Centre endowment fund	441,236	9,749	(9,749)	-	(26,966)	414,270
King George VI development fund	477,751	10,556	(10,556)	-	(29,197)	448,554
Investment reserve	52,049	-	-	-	-	52,049
International fund	32,485	158	(1,477)	-	-	31,166
Cotterell fund	2,811	13	-	-	-	2,824
Australia fund	29,466	147	(153)	-	-	29,460
Wheatland memorial trust	10,823	-	(811)	-	-	10,012
Youth social action fund	8,107	3,500	(11,607)	-	-	-
	<u>1,054,728</u>	<u>24,123</u>	<u>(34,353)</u>	<u>-</u>	<u>(56,163)</u>	<u>988,335</u>
Total of funds	<u><u>2,712,051</u></u>	<u><u>1,113,884</u></u>	<u><u>(1,068,905)</u></u>	<u><u>-</u></u>	<u><u>(158,070)</u></u>	<u><u>2,598,960</u></u>

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14. Statement of funds (continued)

Designated funds

The designated funds represent:

1. Amounts held to meet the costs of specific programmes or future costs at the discretion of the trustees.
2. Amounts available to protect future operations from shortfalls in income.

Restricted funds

YFC Centre endowment fund

The fund comprises the premises and equipment of the Federation, together with investments earmarked to provide capital for additions to, or replacement of these assets. The income from the investments is used to support the annual running costs of the premises and equipment.

King George VI development fund

The fund comprises earmarked investments from which the income is used to meet the costs of development work.

Investment reserve fund

This fund reflects the portfolio income from the investments held which is to be reinvested in accordance with the Trustees' wishes. This has been reclassified as a designated fund during the year.

International fund

To enable the Federation to enhance its international work, particularly through exchange visits.

Cotterell fund

This fund will be used to support the cost of the attendance of a YFC delegate at the Oxford Farming Conference.

Australia fund

This fund represents money collected by people in the Midlands. Income from the fund is to be used to fund NYFYFC Scholarships to Australia for YFA members resident in certain counties in England, and to meet the costs of travel inside the UK for Australian visitors while on NFYFC's official exchange programme.

Wheatland Memorial trust fund

This fund is for the promotion of farm safety and the ongoing costs of the National Efficiency with Safety competition.

Youth social action fund

This fund will be used for administration of the Countryside Challenge, a project to encourage and enable members to organise and undertake social action projects in the community.

Defra grant

This grant is provided by Defra for the NFYFC to carry out agreed projects that form part of the agricultural and rural issues programme of work.

J Billing Charitable fund

The transfer this year was to reclassify the fund as restricted. This fund is to be used to assist with ongoing training and learning (including competitions learning) programmes of work.

Rural Youth Europe and Erasmus+

This grant was to be used to deliver the European Rally in 2019 on behalf of/in partnership with the Rural Youth Europe.

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Statement of funds (continued)

Henry Plumb Foundation

This grant was to be used to support NFYFC's training and development work at the 2019 County Chairman's training event.

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Intangible fixed assets	4,047	-	4,047
Tangible fixed assets	-	5,686	5,686
Fixed asset investments	2,023,414	966,691	2,990,105
Current assets	246,234	195,149	441,383
Creditors due within one year	(472,982)	-	(472,982)
Creditors due in more than one year	(77,477)	-	(77,477)
	<u>1,723,236</u>	<u>1,167,526</u>	<u>2,890,762</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Intangible fixed assets	4,524	-	4,524
Tangible fixed assets	-	8,427	8,427
Fixed asset investments	1,857,358	854,397	2,711,755
Current assets	303,079	125,511	428,590
Creditors due within one year	(410,336)	-	(410,336)
Creditors due in more than one year	(144,000)	-	(144,000)
	<u>1,610,625</u>	<u>988,335</u>	<u>2,598,960</u>

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Pension commitments

The Federation participates in a Growth Plan (administered by TPT Retirement Solutions), a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Federation to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for it as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Federation is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme. Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities. Where the scheme is in deficit and where a member employer has agreed to a deficit funding arrangement the employer recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

The contributions required and share of liabilities attributable to the Federation are set out below.

Present value of provision

	31 December 2019 £	31 December 2018 £	31 December 2017 £
Present value of provision	95,703	169,000	192,000

Reconciliation of opening and closing provisions

	2019 £	2018 £
Provision at start of period	169,000	<i>192,000</i>
Unwinding of the discount factor (interest expense)	2,544	<i>3,000</i>
Deficit contribution paid	(19,311)	<i>(24,000)</i>
Remeasurements - impact of any change in assumptions	1,470	<i>(2,000)</i>
Remeasurements - amendments to contribution schedule	(58,000)	<i>-</i>
Provision at end of period	95,703	<i>169,000</i>

THE NATIONAL FEDERATION OF YOUNG FARMERS' CLUBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Income and expenditure impact

	2019 £	2018 £
Interest expense	2,544	3,000
Remeasurements - impact of any change in assumptions	1,470	(2,000)
Remeasurements - amendments to contribution schedule	(58,000)	-
	<u>(53,986)</u>	<u>1,000</u>
Costs recognised in income and expenditure account	<u>(53,986)</u>	<u>1,000</u>

Assumptions

	31December 2019 % per annum £	31December 2018 % per annum £	31December 2017 % per annum £
Rate of discount	<u>1.13</u>	<u>1.75</u>	<u>1.39</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan solutions.

17. Operating lease commitments

At 31 December 2019 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts payable:		
Within 1 year	5,314	3,816
Between 1 and 5 years	7,170	1,498
	<u>7,170</u>	<u>1,498</u>

18. Related party transactions

During the year the Federation charged £51,660 (2018 - £51,660) to HOPS Labour Solutions Limited for management services and office facilities provided during the year, and was charged £13,637 (2018 - £10,284) in respect of management recharges from HOPS Labour Solutions Limited. The company also received a charitable donation of £52,000 (2018 - £35,000) from HOPS Labour Solutions Limited.