

Black Isle Farmers' Society
Company Limited by Guarantee
Unaudited Financial Statements
31 December 2016

Draft

Black Isle Farmers' Society

Company Limited by Guarantee

Detailed Statement of Financial Activities

31 December 2016

	2016 £	2015 £
Income and endowments		
Donations and legacies		
Memberships and subscriptions	3,193	4,232
Charitable activities		
Trophy dinner	1,859	1,900
Barbecue	1,539	1,731
Presidents Dinner	579	1,165
Ploughing match	3,952	4,223
Show admission charges	121,510	130,846
Trade stands	166,003	164,550
Show entry fees	8,814	13,434
Catalogues	8,715	9,448
Show day lunches and dance	4,341	3,630
Sponsorship	7,370	4,770
Wednesday admission	18,146	26,024
Bar sales	32,455	27,047
	<u>375,283</u>	<u>388,768</u>
Investment income		
Investment income	1,879	2,020
Other income		
Sundry income	573	99
Rental and hire	16,372	16,290
Solar feed in tariff	1,743	2,790
	<u>18,688</u>	<u>19,179</u>
Total income	<u>399,043</u>	<u>414,199</u>

Black Isle Farmers' Society

Company Limited by Guarantee

Detailed Statement of Financial Activities *(continued)*

31 December 2016

	2016	2015
	£	£
Expenditure		
Expenditure on charitable activities		
Trophy dinner	2,145	2,258
Barbecue	1,500	1,750
Presidents dinner	1,052	1,123
Ploughing match	6,993	5,384
Rent & rates	14,512	11,568
Advertising	6,065	5,038
Light & heat	3,643	4,006
Repairs and maintenance	7,822	2,998
Insurance	6,470	5,921
Printing and stationery	1,403	3,042
Labour costs	8,372	14,001
Legal and professional	3,045	13
Accountancy	2,680	1,890
Extraordinary general meeting costs	11,609	-
Postage & telephone	5,204	3,268
Depreciation	60,477	60,019
Showground contractors	106,099	107,754
Show attractions	12,850	11,480
Prize money	26,871	33,561
Judges expenses	6,511	10,466
Donations and subscriptions	200	450
Policing and other related services	22,342	25,889
Catalogues	4,260	5,670
Tropies, rosettes and engraving	9,347	10,885
General show expenses	32,962	23,290
Honorarium	1,200	1,200
Show dance	800	1,750
Hire of grandstand	1,896	1,884
Administration	50,500	51,000
Training	-	360
Bar costs	20,240	17,969
Bursary	10,000	3,250
Bank charges	679	3,000
	<u>449,749</u>	<u>432,137</u>
Total expenditure	<u>449,749</u>	<u>432,137</u>
Net gains/(losses) on investments		
Gains/(losses) on listed investments	<u>(11,607)</u>	<u>2,800</u>
Net expenditure	<u>(39,099)</u>	<u>(20,738)</u>

Black Isle Farmers' Society

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

31 December 2016

	2016 £	2015 £
Expenditure on charitable activities		
Charitable activities		
<i>Activities undertaken directly</i>		
Trophy Dinner	2,145	2,258
Barbecue	1,500	1,750
Presidents dinner	1,052	1,123
Ploughing match	6,993	5,384
Rent & rates	14,512	11,568
Advertising	6,065	5,038
Light & heat	3,643	4,006
Repairs & maintenance	7,822	2,998
Insurance	6,470	5,921
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Catalogues	4,260	5,670
Trophies, rosettes and engraving	9,347	10,885
General show expenses	32,962	23,290
Honorarium	1,200	1,200
Show dance	800	1,750
Hire of grandstand	1,896	1,884
Administration	50,500	51,000
Training	–	360
Bar costs	20,240	17,969
Bursary	10,000	3,250
Bank charges	679	3,000
	<u>444,024</u>	<u>430,234</u>
Governance costs		
Governance costs - accountancy fees	2,680	1,890
Governance costs - legal and other professional fees	3,045	13
	<u>5,725</u>	<u>1,903</u>
Expenditure on charitable activities	<u>449,749</u>	<u>432,137</u>

Black Isle Farmers' Society

Company Limited by Guarantee

Statement of Financial Position

31 December 2016

		2016	2015
		£	£
Fixed assets			
Tangible fixed assets	16	718,431	764,351
Investments	17	<u>107,065</u>	<u>94,200</u>
		825,496	858,551
Current assets			
Stocks		1,490	2,032
Debtors	19	125	950
Cash at bank and in hand		<u>214,304</u>	<u>209,311</u>
		215,919	212,293
Creditors: amounts falling due within one year	20	<u>41,270</u>	<u>31,600</u>
Net current assets		<u>174,649</u>	<u>180,693</u>
Total assets less current liabilities		<u>1,000,145</u>	<u>1,039,244</u>
Net assets		<u>1,000,145</u>	<u>1,039,244</u>
Funds of the charity			
Restricted funds		60,688	66,375
Unrestricted funds		<u>939,457</u>	<u>972,869</u>
Total charity funds	21	<u>1,000,145</u>	<u>1,039,244</u>

For the year ending 31 December 2016 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

- The members have not required the charity to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 7 June 2017, and are signed on behalf of the board by:

A M Cameron

Black Isle Farmers' Society

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2016

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 December 2016.

Reference and administrative details

Registered charity name Black Isle Farmers' Society

Charity registration number SC022355

Company registration number SC219601

Principal office and registered office Metropolitan House
31-33 High Street
Inverness
IV1 1HT

The trustees

G A Maciver

E Macrae

A M Cameron

S Mackenzie

R A M MacLennan

D S Macleod

(Resigned 31 December 2016)

(Appointed 1 January 2017)

Company secretary

R T Mackenzie

Accountants

FKF Accounting Limited
4th Floor, Metropolitan House
31-33 High Street
Inverness
IV1 1HT

Structure, governance and management

Governing Document

The organisation is a charitable company limited by guarantee. The company was established under a Memorandum and Articles of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Recruitment and Appointment of Trustees

The trustees are elected by the members of the General Committee, which numbers 65 people. The trustees serve a term which is set down at number 51 in the Articles of Association. At General Committee meetings there are around 30 members present.

Trustees serve on the General Committee for a number of years to familiarise themselves as to the running of the charity. When a candidate shows aptitude and is willing to serve as a trustee then they are proposed at the Annual General Meeting to the post of Junior Vice President which is the first "rung" of the management ladder.

Black Isle Farmers' Society

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2016

Structure, governance and management *(continued)*

The board of trustees, which has 5 members, administers the charity. The board meets regularly as and when required. There are sub-committees covering ploughing match, horse, livestock, capital improvements, showground etc. A management consultant and specialist in organisational operations (Rod Mackenzie Special Services)(RMSS) has been appointed by the trustees on a year to year basis to manage the day to day operations of the charity. To facilitate effective operations, the firm of RMSS has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, engagement of contractors and services supplied to the charity.

Risk Management

The trustees have a risk management strategy which comprises:-

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

This work has identified only a few minor new risks but it has resulted in better emergency procedures and contingency plans and has given the impetus for better planning. Particular attention has focused on non financial risks arising from fire, health and safety of the public at the Black Isle Show with the appointment of a Health and Safety specialist firm who provide the expertise in this field. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees. The main risk to the charity is the potential cancellation of the Black Isle Show at the last minute due to circumstances outwith the control of the trustees such as weather, outbreak of disease, natural disasters etc, when all the services have been engaged and paid for and no refunds can be obtained. This amount is estimated at around £150,000 and is constantly under review.

Related Parties

Rod Mackenzie Special Services (RMSS Highland Ltd) has the contract from the charity for running all the administration aspects of the charity. RMSS is under the ownership of company secretary, Rod Mackenzie.

Objectives and activities

Objectives and activities

Black Isle Farmers exists to promote the interests of farming, agriculture and the countryside to the general public with the main medium for this being the annual Black Isle Show, held on its purpose built permanent site at Mannsfield, Muir of Ord on the first Thursday in August each year.

Other annual events include; a ploughing match held on Black Isle farms on the first Saturday of February; a barbeque on the first Saturday of July; a trophy presentation, dinner and dance at the start of November; a dinner for Past Presidents and General Committee members in December.

In addition many members of the Society contribute their time, experience and expertise in educating primary school children in conjunction with RHET (Royal Highland Education Trust) through visits to local schools and more notably since 2009 the Society hosted an event in June where around 300 children visit Mannsfield Showground and are shown all aspects of modern farming practices by means of practical demonstrations given by Society members

Black Isle Farmers' Society

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2016

Objectives and activities *(continued)*

Since 2014 this event has grown due to its popularity and now takes place over two consecutive days in late May/early June.

During the annual Black Isle Show the General Committee members, volunteers and Trustees undertake an education and advisory role where they are clearly identifiable to the public.

The charity will make contributions to the work of educational trusts such as the Northern Countryside Initiative, RHET (Royal Highland Educational Trust) etc where their work and objectives are similar to that of the Black Isle Farmers' Society.

The Directors and General Committee set up and inaugurated a Bursary Scheme in 2014 which is available to students and young people from the Highlands and Islands to study and gain qualifications in a rural or agriculturally related subject.

There was £3,250 awarded in 2015; £10,000 in 2016 and £5,000 proposed in 2017. The Directors have made alterations and improvements to the bursary scheme since it was accepted and there are 3 members of the bursary committee who are not BIFS directors to give an alternative view and opinion on applications.

The policy of the General Committee and the Trustees is to improve for the benefit of the visiting public the facilities available to them on the permanent show-field at Mannsfield. This programme of capital investment has amounted to over £1,200,000 in the last 15 years viz - building 3 permanent toilet blocks, tarring all the previously metalled roadways, building 6 purpose built sheds to offset the rising annual costs of marquee hire, building permanent pay-booths, purchasing and upgrading cattle and sheep gates, installation of permanent electricity supplies, installation of solar panels and many more capital items to make the Society more self-sufficient and help with future proofing against rising costs.

The Society has had to pay water consumption and disposal charges from April 2016 as it was previously exempt as a charity. The Scottish Government changed the way that small businesses and charities pay "water rates" and BIFS now no longer qualify for an exemption. In anticipation of this BIFS directors have accrued an amount to cover this in the accounts for the past 4 years. Other exemptions which are available to Scottish charities are a concern to the directors and they are constantly keeping this situation under review. The cost of running an event which is attended by the paying public has increased markedly in recent years. The directors have maintained high levels of safety and security and these standards are constantly under review.

Contribution made by Volunteers

There are many volunteers, members of the Society, General Committee members, Trustees and others who give freely of their time to run the activities of the charity. The time and expertise, which they freely give, benefits the charity financially and this allows the charity to achieve a surplus which can then be spent on achieving its objectives. In 2016 the contribution made by these volunteers to the many projects undertaken has been estimated in terms of costs saved of around £45,000 in terms of time given, expertise and machinery and equipment contributions.

Black Isle Farmers' Society

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2016

Achievements and performance

Achievements and performance

As previously mentioned the charity has improved its facilities greatly over the last 12 years. These improvements have added to the enjoyment of the annual Black Isle Show by the general public and to ensure their continued attendance. The Trustees of the Society feel that in saving annual rising costs they are helping to "future proof" the Society from the risks of having a "bad" show. In this current year there has not been a high level of capital expenditure but there is always ongoing maintenance and repairs which has to be undertaken to ensure that the condition of existing capital equipment is kept at a high standard for future years. Livestock entries were maintained at the usual high levels, which goes to prove the popularity and status of the "Black Isle" as an Agricultural Show. There have been "national shows" of specific cattle and sheep breeds due to the improved facilities the Black Isle Show now offers. There are national shows for cattle booked for 2018 and 2019 currently.

Financial review

Reserves policy

The trustees constantly monitor the cash reserves and this should not fall below £150,000. This is the amount of money that the trustees estimate it would cost in unrecoverable fees and services if the Black Isle Show had to be cancelled for any unforeseen circumstances in the lead up before the show. The present level of undesignated unrestricted reserves available to the charity are £939,457 which includes fixed assets to a value of £657,743. This leaves liquid reserves of £281,714 at 31 December 2016.

Plans for future periods

The trustees have been committed to an ongoing programme of capital improvements and investment in the showground facilities during the previous 12 years. These investments in buildings, tarred roads, toilets and services have not only enhanced the "Show" experience for competitors and visitors but have helped to create a year round rental income stream from other organisations and individuals.

This income stream has increased from a few thousand pounds in 2005 to an average of approx. £19,000 per annum in the period from 2008 to 2016. This steady income helps to pay for annual running costs, repairs and maintenance of the facilities.

The Society has invested in dedicated livestock exhibition sheds and this has attracted cattle and sheep breed societies' "national shows" - Cattle breeds -Limousin, Aberdeen Angus, Highland and Simmental. Charolais in 2017; Highland in 2018 and Limousin Grand Prix again in 2019. Sheep breeds - North Country Cheviot, Zwartbles, Jacob, Blue Faced Leicester and Beltex. The building of these facilities have helped to at least maintain cattle numbers coming forward to the Show but specifically has helped to increase numbers of sheep entered.

For 2017 the committee agreed that the Society should have a local cattle class thereby encouraging competitors who are local Society members. Also for 2017 the Society is planning to have a "Tractor Pull" competition on the Wednesday evening prior to the Show hopefully attracting teams of 5 people from local charities and volunteer groups and the Society has put up a prize pot to the winners. Other plans for 2017 are the establishment of a "countryside and discovery area" where the public can interact with small groups of livestock and see traditional rural skills demonstrated.

Black Isle Farmers' Society

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2016

Plans for future periods *(continued)*

The trustees maintain a close watch on costs and income streams and trends. To this effect with other events being staged in the vicinity and partially overlapping with the Black Isle Show schedule the trustees have concerns that the Thursday gate admissions will at best not increase in the near future. In 2016 tickets were sold online for the first time and this is to be extended in 2017 with the introduction of "early bird" discounted tickets along with a tiered discount structure for bulk sales.

Statement of trustee's responsibilities

The trustees (who are also directors of Black Isle Farmers' Society for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- * select suitable accounting policies and then apply them consistently;
- * observe the methods and principles in the Charities SORP;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

R T Mackenzie
Secretary

7 June 2017