

COMPANY REGISTRATION NUMBER: SC219601
CHARITY REGISTRATION NUMBER: SC022355

Black Isle Farmers' Society
Company Limited by Guarantee
Unaudited Financial Statements
31 December 2017

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Chartered accountant
FKF Accounting Limited
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31-33 High Street
Inverness
IV1 1HT

Black Isle Farmers' Society

Company Limited by Guarantee

Detailed Statement of Financial Activities

31 December 2017

| | 2017 £ | 2016 £ |
|-------------------------------|-----------------------|-----------------------|
| Income and endowments | | |
| Donations and legacies | | |
| Memberships and subscriptions | <u>2,268</u> | <u>3,193</u> |
| Charitable activities | | |
| Trophy dinner | 1,670 | 1,859 |
| Barbecue | 464 | 1,539 |
| Presidents Dinner | 530 | 579 |
| Ploughing match | 5,759 | 3,952 |
| Show admission charges | 115,254 | 121,510 |
| Trade stands | 161,318 | 166,003 |
| Show entry fees | 8,028 | 8,814 |
| Catalogues | 8,552 | 8,715 |
| Show day lunches and dance | 2,841 | 4,341 |
| Wednesday admission | 20,795 | 18,146 |
| Bar Sales | 31,251 | 32,455 |
| Sponsorship | <u>7,120</u> | <u>7,370</u> |
| | <u>363,582</u> | <u>375,283</u> |
| Investment income | | |
| Investment income | <u>1,787</u> | <u>1,879</u> |
| Other income | | |
| Sundry income | 69 | 573 |
| Rental and hire | 13,049 | 16,372 |
| Solar feed in tariff | <u>1,561</u> | <u>1,743</u> |
| | <u>14,679</u> | <u>18,688</u> |
| Total income | <u><u>382,316</u></u> | <u><u>399,043</u></u> |

Black Isle Farmers' Society

Company Limited by Guarantee

Detailed Statement of Financial Activities *(continued)*

31 December 2017

| | 2017 | 2016 |
|---|-----------------|-----------------|
| | £ | £ |
| Expenditure | | |
| Expenditure on charitable activities | | |
| Trophy Dinner | 1,859 | 2,145 |
| Barbecue | 755 | 1,500 |
| Presidents dinner | 869 | 1,052 |
| Ploughing match | 6,928 | 6,993 |
| Rent & rates | (1,104) | 14,512 |
| Advertising | 10,579 | 6,065 |
| Light and heat | 3,128 | 3,643 |
| Repairs and maintenance | 11,248 | 7,822 |
| Insurance | 6,723 | 6,470 |
| Printing & stationery | 3,186 | 1,403 |
| Labour costs | 7,940 | 8,372 |
| Legal and professional fees | 13 | 3,048 |
| Accountancy | 1,530 | 2,680 |
| Extraordinary general meeting costs | - | 11,609 |
| Telephone | 5,370 | 5,204 |
| Depreciation | 61,424 | 60,477 |
| Show contractors | 115,564 | 106,099 |
| Show attractions | 16,590 | 12,850 |
| Prize Money | 26,591 | 26,871 |
| Judge expenses | 7,275 | 6,511 |
| Donations and subscriptions | 200 | 200 |
| Policing and other related services | 16,870 | 22,342 |
| Catalogues | 3,420 | 4,260 |
| Trophies, rosettes and engraving | 7,707 | 9,347 |
| General show expenses | 25,807 | 32,962 |
| Honorarium | 2,200 | 1,200 |
| Show dance | - | 800 |
| Hire of grandstand | 1,896 | 1,896 |
| Administration | 50,500 | 50,500 |
| Training | 407 | - |
| Bar costs | 19,549 | 20,240 |
| Bursary | - | 10,000 |
| Bank charges | 137 | 679 |
| | <u>415,161</u> | <u>449,749</u> |
| Total expenditure | <u>415,161</u> | <u>449,749</u> |
| Net gains on investments | | |
| Gains/(losses) on listed investments | <u>(6,594)</u> | <u>(11,607)</u> |
| Net expenditure | <u>(26,251)</u> | <u>(39,099)</u> |

Black Isle Farmers' Society

Company Limited by Guarantee

Statement of Financial Position

31 December 2017

| | | 2017 £ | 2016 £ |
|---|----|----------------|------------------|
| Fixed assets | | | |
| Tangible fixed assets | 16 | 673,028 | 718,431 |
| Investments | 17 | <u>115,421</u> | <u>107,065</u> |
| | | 788,449 | 825,496 |
| | | | |
| Current assets | | | |
| Stocks | 18 | 1,490 | 1,490 |
| Debtors | 19 | – | 125 |
| Cash at bank and in hand | | <u>200,215</u> | <u>214,304</u> |
| | | 201,705 | 215,919 |
| | | | |
| Creditors: amounts falling due within one year | 20 | <u>16,260</u> | <u>41,270</u> |
| Net current assets | | <u>185,445</u> | <u>174,649</u> |
| Total assets less current liabilities | | <u>973,894</u> | <u>1,000,145</u> |
| Net assets | | <u>973,894</u> | <u>1,000,145</u> |
| | | | |
| Funds of the charity | | | |
| Restricted funds | | 55,001 | 60,688 |
| Unrestricted funds | | <u>918,893</u> | <u>939,457</u> |
| Total charity funds | 21 | <u>973,894</u> | <u>1,000,145</u> |

For the year ending 31 December 2017 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors 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 6 June 2018, 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 2017

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 2017.

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 (Resigned 31 December 2017)

E Macrae

A M Cameron

S Mackenzie

D S Macleod (Appointed 1 January 2017)

F McKenzie (Appointed 1 January 2018)

D M Fraser (Appointed 2 May 2018)

A D Gammie (Appointed 2 May 2018)

I McCallum (Appointed 2 May 2018)

DJS McKenzie (Appointed 2 May 2018)

Company secretary R T Mackenzie

Accountants Jillian Munro CA
Chartered accountant
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.

Black Isle Farmers' Society

Company Limited by Guarantee

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

Year ended 31 December 2017

Structure, governance and management *(continued)*

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.

The board of trustees, which has 9 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.

Black Isle Farmers' Society

Company Limited by Guarantee

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

Year ended 31 December 2017

Objectives and activities *(continued)*

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

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 Trustees 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. Practical and vocational courses are also considered for an award from this fund.

The Directors have made alterations and improvements to the bursary scheme since it was inception 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.

Black Isle Farmers' Society

Company Limited by Guarantee

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

Year ended 31 December 2017

Objectives and activities *(continued)*

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 2017 the contribution made by these volunteers to the many projects undertaken has been estimated in terms of costs saved of around £50,000 in terms of time given, expertise and machinery and equipment contributions.

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 £918,893 which includes fixed assets to a value of £618,027. This leaves liquid reserves of £300,866 at 31 December 2017.

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. £18,000 per annum in the period from 2008 to 2017. This steady income helps to pay for annual running costs, repairs and maintenance of the facilities.

Black Isle Farmers' Society

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

Year ended 31 December 2017

Plans for future periods *(continued)*

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 2018 the committee agreed that the Society should have a local cattle class thereby encouraging competitors who are local Society members. Also for 2018 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 2018 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.

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 was 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.

Black Isle Farmers' Society

Company Limited by Guarantee

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

Year ended 31 December 2017

Small company provisions

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

The trustees' annual report was approved on 6 June 2018 and signed on behalf of the board of trustees by:

R T Mackenzie
Secretary
