

REGISTERED COMPANY NUMBER: SC214525 (Scotland)
REGISTERED CHARITY NUMBER: SC016869

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Report of the Trustees and
Audited Financial Statements
for the year ended
30th September 2019

for
Border Union Agricultural Society

Border Union Agricultural Society

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for the year ended 30th September 2019

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Border Union Agricultural Society (Registered number: SC214525)

Report of the Trustees
for the year ended 30th September 2019

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30th September 2019. The trustees have adopted the provisions of the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and activities

Objectives and aims

The objectives of the society shall be the promotion and advancement of agriculture, the improvement of stock, the encouragement of those arts with which agriculture and industry and the rearing of livestock are associated, and the promotion of agriculture, manufacture and pastoral interest generally. The means to be employed for these ends shall include the organising and promoting of various events, in particular the annual Agricultural Show, Dog Show and Ram Sale, providing bursaries, financial assistance and other payments and the organising of educational events for children.

Achievement and performance

During the year to 30th September 2019, the trustees have again successfully achieved the objectives of the charity through the staging of the annual Agricultural Show, Ram Sales and Dog Show. They also ran a schools day for the sixth consecutive year at which over 1,000 primary school children from all over the region were given an insight into agriculture and the supply of food.

The society, through its legacy fund, provided bursaries to three successful applicants with further good applications in progress.

Financial review

Financial position

The charity had a challenging year with a deficit of £24,527. The ram sales produced an excellent surplus due to additional sheep numbers being sold and the dog show continued to hold its own at a time when other dog shows have seen vastly reduced entries of dogs. The wet weather had a significant impact on visitor numbers to the agricultural show on the flagship Saturday which impacted on the entrance revenue. Despite the weather conditions, the show fulfilled its charitable objectives by managing to run all its livestock competitions, competitions for young handlers, crop plot demonstrations, a food fair and a sheep demonstration amongst a host of other interesting attractions. The ram sales were another wonderful exhibition and promotion of high quality male breeding sheep leading to some very high prices being paid.

Reserves policy

The trustees aim to keep the total value of the charity's reserves to fund approximately one half of one complete year of expenditure with no external income. With the main fund raising event being weather dependent it is felt that this is a prudent policy.

Additionally the trustees also wish to have a contingency fund to meet unforeseen events that could compromise the implementation of the charity's objectives.

Covid-19

All the charity's core events in 2019/20 have been cancelled together with many lettings. It is currently unknown when events will be able to take place again. Staff numbers have been reduced significantly and all retained staff, bar one part time member, have been furloughed. All non essential expenditure has ceased.

Subsequently a revised budget has been prepared to September 2021. A coronavirus business interruption bank loan has been received which addresses the cashflow issues. The budget for the year ended 30th September 2021 is largely based on the original 2020 budget with some variations in relation to the impact of Covid 19 on events and shows a positive outcome.

Future plans

The trustees are intent on promoting the profile of the charity and its core events, which in turn will advance the charity's objectives. It is not anticipated that there will be any changes to the three core events that advance these objectives, although each event is developed independently to promote the charity's activities.

Border Union Agricultural Society (Registered number: SC214525)

Report of the Trustees
for the year ended 30th September 2019

Structure, governance and management

Governing document

The charity was incorporated on 8th January 2001 and is governed by its Memorandum and Articles of Association. The Articles of Association were updated in May 2016, which was overseen by the charity's lawyers. This led to the appointment of a group of trustees which now comprise the overall board of management. The trustees work in close cooperation with the society directors, led by the society chairman, on whose skill and enthusiasm they are largely dependent for the running of the society's activities.

Recruitment and appointment of new trustees

The trustees are appointed to represent a cross-section of the organisation's interests. There can be a maximum of ten trustees. The trustees are led by a chairman and vice chairman. At every Annual General Meeting three trustees shall retire by rotation.

Organisational structure

The charities activities are managed by an executive director based in the main office in Springwood Park, which is part of its own premises.

The trustees meet approximately every six weeks and also at the Annual General Meeting. The trustees generally control and supervise the activities of the charity and in particular monitor the financial position of the charity.

The society directors help organise and run the core events and their continued commitment and input is vital to the ongoing success of the society. Various sub-groups also exist to manage specific elements of the core activities, reviewing strategy and any change implementation required.

The business of the Annual General Meeting is conducted by a President and not more than fourteen Vice-Presidents, all of whom stand for re-election at each Annual General Meeting.

A full time remunerated executive staff undertakes the strategy/decisions of the Board of Trustees. None of the trustees receive any remuneration.

Induction and training of new trustees

Trustees are expected to be familiar with the practical work of the charity having attended the annual show, ram sale and other society activities. New trustees are provided with a document outlining the roles and responsibilities of trustees.

Related parties

The charity owns all the shares in Border Union Limited from which it receives an annual service charge for organising and running lets of the showground and its buildings.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finance of the charity and are satisfied that systems are in place to mitigate exposure to the major risks. Procedures are in place to comply with health and safety needs of staff, volunteers and visitors as this is felt to be a significant risk. It is seen as important to separate where possible machinery, animals and people which is the core health and safety concern principle of the charity.

Reference and administrative details

Registered Company number
SC214525 (Scotland)

Registered Charity number
SC016869

Registered office
Springwood Park
Kelso
Roxburghshire
TD5 8LS

Border Union Agricultural Society (Registered number: SC214525)

Report of the Trustees
for the year ended 30th September 2019

Trustees

| | | |
|-----------------|------------------|--|
| Mrs S F Beck | None | Appointed 14/12/18 and resigned 13/12/19 |
| I A Fleming | Farmer | |
| C S McGregor | Director | |
| D N G Stephen | Consultant | |
| C B Stewart | Director | |
| A S W Armstrong | Director | |
| G T G Baird | Farmer | |
| Mrs K P Blair | Factor | Resigned 14/12/18 |
| R I Dick | Farmer | Resigned 13/12/19 |
| N G C Thomson | Farmer | Resigned 13/12/19 |
| D J Withall | Property manager | Appointed 13/12/19 |
| W K Redpath | Farmer | Appointed 13/12/19 |
| C P Douglas | Farmer | Appointed 13/12/19 |

In accordance with the Articles of Association, C S McGregor, G T G Baird and R I Dick will retire at the Annual General Meeting, and being eligible, will stand for re-election. R I Dick did not wish to be re-elected.

Auditors

Rennie Welch Audit Limited
Academy House
Shedden Park Road
Kelso
Roxburghshire
TD5 7AL

Statement of trustees' responsibilities

The trustees (who are also the directors of Border Union Agricultural Society for the purposes of company law) are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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 to 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.

Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Rennie Welch Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Border Union Agricultural Society (Registered number: SC214525)

Report of the Trustees
for the year ended 30th September 2019

This report has been prepared in accordance with the special provisions of Part 15 of Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 10th September 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A S W Armstrong'.

A S W Armstrong - Trustee

**Report of the Independent Auditors to the Members of
Border Union Agricultural Society (Registered number: SC214525)**

Opinion

We have audited the financial statements of Border Union Agricultural Society (the 'charitable company') for the year ended 30th September 2019 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30th September 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Report of the independent auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Border Union Agricultural Society (Registered number: SC214525)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion,

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic report or in preparing the Report of the trustees.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

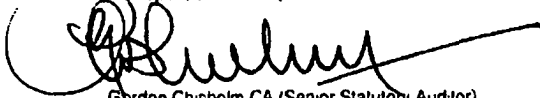
Our responsibilities for the audit of the financial statements

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 a Report of the independent auditors 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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Gordon Chisholm CA (Senior Statutory Auditor)
for and on behalf of Rennie Welch Audit Limited
Academy House
Shedden Park Road
Kelso
Roxburghshire
TD5 7AL

10th September 2020

Border Union Agricultural Society
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 30th September 2019

| | Notes | Unrestricted fund £ | Restricted funds £ | 2019 Total funds £ | 2018 Total funds £ |
|---|-------|------------------------|-----------------------|--------------------------|--------------------------|
| Income and endowments from | | | | | |
| Donations and legacies | 3 | 26,377 | 250 | 26,627 | 26,350 |
| Charitable activities | 5 | | | | |
| Show | | 217,094 | - | 217,094 | 223,310 |
| Ram sale | | 162,021 | - | 162,021 | 165,345 |
| Dog show | | 142,246 | - | 142,246 | 146,061 |
| Investment income | 4 | 58 | 4,773 | 4,831 | 3,955 |
| Other income | 6 | 132,072 | - | 132,072 | 126,795 |
| Total | | <u>679,868</u> | <u>5,023</u> | <u>684,891</u> | <u>691,816</u> |
| Expenditure on | | | | | |
| Raising funds | | | | | |
| Investment management costs | 7 | - | 957 | 957 | 936 |
| | | - | 957 | 957 | 936 |
| Charitable activities | 8 | | | | |
| Show | | 141,832 | - | 141,832 | 163,928 |
| Ram sale | | 86,736 | - | 86,736 | 99,171 |
| Dog show | | 110,232 | - | 110,232 | 116,499 |
| Other | | 365,595 | 37,551 | 403,146 | 410,928 |
| Total | | <u>704,395</u> | <u>38,508</u> | <u>742,903</u> | <u>791,462</u> |
| Net gains on investments | | - | 1,289 | 1,289 | 3,136 |
| NET INCOME/(EXPENDITURE) | | <u>(24,527)</u> | <u>(32,196)</u> | <u>(56,723)</u> | <u>(96,510)</u> |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 206,886 | 297,352 | 504,238 | 600,748 |
| Total funds carried forward | | <u>182,359</u> | <u>265,156</u> | <u>447,515</u> | <u>504,238</u> |
| Continuing operations | | | | | |
| All income and expenditure has arisen from continuing activities. | | | | | |

The notes form part of these financial statements

Border Union Agricultural Society (Registered number: SC214525)

Balance Sheet
30th September 2019

| | Notes | Unrestricted fund £ | Restricted funds £ | 2019 Total funds £ | 2018 Total funds £ |
|--|-------|------------------------|-----------------------|--------------------------|--------------------------|
| Fixed assets | | | | | |
| Tangible assets | 15 | 244,276 | 114,197 | 358,473 | 384,290 |
| Investments | 16 | 1 | 135,492 | 135,493 | 120,571 |
| | | <u>244,277</u> | <u>249,689</u> | <u>493,966</u> | <u>504,861</u> |
| Current assets | | | | | |
| Stocks | 17 | 5,505 | - | 5,505 | 5,836 |
| Debtors | 18 | 146,845 | 191 | 147,036 | 141,033 |
| Investments | 19 | 1 | - | 1 | 1 |
| Cash at bank and in hand | | <u>132,196</u> | <u>15,276</u> | <u>147,472</u> | <u>117,160</u> |
| | | <u>284,547</u> | <u>15,467</u> | <u>300,014</u> | <u>264,030</u> |
| Creditors | | | | | |
| Amounts falling due within one year | 20 | (260,232) | - | (260,232) | (264,653) |
| Net current assets | | <u>24,315</u> | <u>15,467</u> | <u>39,782</u> | <u>(623)</u> |
| Total assets less current liabilities | | <u>268,592</u> | <u>265,156</u> | <u>533,748</u> | <u>504,238</u> |
| Creditors | | | | | |
| Amounts falling due after more than one year | 21 | (86,233) | - | (86,233) | - |
| NET ASSETS | | <u>182,359</u> | <u>265,156</u> | <u>447,515</u> | <u>504,238</u> |
| Funds | 24 | | | | |
| Unrestricted funds | | | | 182,359 | 206,886 |
| Restricted funds | | | | <u>265,156</u> | <u>297,352</u> |
| Total funds | | | | <u>447,515</u> | <u>504,238</u> |

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

The financial statements were approved by the Board of Trustees and authorised for issue on 10th September 2020 and were signed on its behalf by:



D N G Stephen - Trustee



A S W Armstrong - Trustee

The notes form part of these financial statements

Border Union Agricultural Society
Cash Flow Statement
for the year ended 30th September 2019

| Notes | 2019 £ | 2018 £ |
|---|-----------------------|-----------------------|
| Cash flows from operating activities | | |
| Cash generated from operations 1 | 6,049 | 65,683 |
| Interest paid | (3,780) | (1,625) |
| Interest element of hire purchase or finance lease rental payments paid | - | (512) |
| Net cash provided by operating activities | <u>2,269</u> | <u>63,546</u> |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (57,761) | (16,670) |
| Purchase of fixed asset investments | (31,273) | (5,411) |
| Sale of fixed asset investments | 17,640 | 2,507 |
| Interest received | 62 | 16 |
| Dividends received | 4,769 | 3,939 |
| Net cash used in investing activities | <u>(66,563)</u> | <u>(15,619)</u> |
| Cash flows from financing activities | | |
| New loans in year | 100,000 | - |
| Loan repayments in year | (5,394) | - |
| Capital repayments in year | - | (3,642) |
| Net cash provided by/(used in) financing activities | <u>94,606</u> | <u>(3,642)</u> |
| Change in cash and cash equivalents in the reporting period | <u>30,312</u> | <u>44,285</u> |
| Cash and cash equivalents at the beginning of the reporting period | <u>117,160</u> | <u>72,875</u> |
| Cash and cash equivalents at the end of the reporting period | <u><u>147,472</u></u> | <u><u>117,160</u></u> |

The notes form part of these financial statements

Border Union Agricultural Society

Notes to the Cash Flow Statement
for the year ended 30th September 2019

| | | |
|--|---------------------|----------------------|
| 1. Reconciliation of net expenditure to net cash flow from operating activities | 2019 | 2018 |
| | £ | £ |
| Net expenditure for the reporting period (as per the Statement of financial activities) | (56,723) | (96,510) |
| Adjustments for: | | |
| Depreciation charges | 83,578 | 75,291 |
| Gain on investments | (1,289) | (3,136) |
| Interest received | (62) | (16) |
| Interest paid | 3,780 | 1,625 |
| Interest element of hire purchase and finance lease rental payments | - | 512 |
| Dividends received | (4,769) | (3,939) |
| Decrease in stocks | 331 | 1,671 |
| Increase in debtors | (5,999) | (22,974) |
| (Decrease)/increase in creditors | (12,798) | 113,159 |
| Net cash provided by operations | <u>6,049</u> | <u>66,195</u> |

The notes form part of these financial statements

Border Union Agricultural Society
Notes to the Financial Statements
for the year ended 30th September 2019

1. Statutory Information

Border Union Agricultural Society is a company limited by guarantee and accordingly does not have a share capital. The company's registered number and registered office address can be found in the report of the trustees.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

2. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Preparation of consolidated financial statements

The financial statements contain information about Border Union Agricultural Society as an individual charity and do not contain consolidated financial information as the parent of a group.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations and is included in full in the Statement of Financial Activities when receivable.

The policy on all grants receivable is that they are split between those for fixed assets and those of a general nature. The former are shown as restricted funds, and the latter included in direct charitable income.

Income from investments is included in the year in which it is receivable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

| | |
|-------------------------|-------------------------------|
| Showground and car park | - not provided |
| Buildings | - 10% on cost and 5% on cost |
| Fixtures and fittings | - 33% on cost and 10% on cost |

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Border Union Agricultural Society

Notes to the Financial Statements - continued
for the year ended 30th September 2019

2. Accounting policies - continued

Stocks

Stock is valued at cost and represents bi-centenary merchandise, fuel, cleaning materials and other items that have not been used by the year end.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Investments

Listed investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

Investments in subsidiary undertakings are recognised at cost.

Current asset investments are at the lower of cost and net realisable value.

Financial instruments

The following assets and liabilities are classified as financial instruments - trade debtors, trade creditors, accruals and bank loans.

Bank loans are initially measured at the present value of future payments, discounted at a market rate of interest, and subsequently at amortised cost using the effective interest method.

Trade debtors, trade creditors and accruals are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of financial activities.

Provisions

Provisions are set up only where it is probable that a present obligation exists as a result of an event prior to the balance sheet date and that a payment will be required in settlement that can be estimated reliably. Where material, provisions are calculated on a discounted basis.

Employee benefits

Short term employee benefits, including holiday pay, are recognised as an expense in the statement of financial activities in the period in which they are incurred.

Border Union Agricultural Society

Notes to the Financial Statements - continued
for the year ended 30th September 2019

2. Accounting policies - continued

Going concern

The trustees have considered the company's financial position for a period of 12 months from the date of signing these financial statements and have 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 these financial statements.

3. Donations and legacies

| | 2019 | 2018 |
|---------------|---------------|---------------|
| | £ | £ |
| Donations | 250 | 2,250 |
| Subscriptions | 26,377 | 24,100 |
| | <u>26,627</u> | <u>26,350</u> |

All donations in both years relate to restricted funds. All subscriptions in both years relate to the unrestricted fund.

4. Investment Income

| | 2019 | 2018 |
|-------------------------------|--------------|--------------|
| | £ | £ |
| Fixed asset investment income | 4,769 | 3,939 |
| Interest receivable | 62 | 16 |
| | <u>4,831</u> | <u>3,955</u> |

Investment income totalled £4,831 (2018 - £3,955) of which £58 (2018 - £16) was unrestricted and £4,773 (2018 - £3,939) was restricted.

5. Income from charitable activities

| | 2019 | 2018 |
|-----------------|----------------|----------------|
| | £ | £ |
| Show income | 217,094 | 223,310 |
| Ram sale income | 182,021 | 165,345 |
| Dog show income | 142,246 | 146,061 |
| | <u>521,361</u> | <u>534,716</u> |

All income from charitable activities relate to the unrestricted fund.

6. Other income

| | 2019 | 2018 |
|----------------------|----------------|----------------|
| | £ | £ |
| Service charge | 100,000 | 95,500 |
| Miscellaneous | 5,717 | 3,570 |
| School's Day funding | 26,355 | 27,575 |
| Bi-centenary | - | 150 |
| | <u>132,072</u> | <u>126,795</u> |

All other income relates to the unrestricted fund.

Border Union Agricultural Society

Notes to the Financial Statements - continued
for the year ended 30th September 2019

7. Investment management costs

| | 2019 | 2018 |
|----------------------|------------|------------|
| | £ | £ |
| Portfolio management | <u>957</u> | <u>936</u> |

All investment management costs relate to restricted funds.

8. Charitable activities costs

| | Direct Costs (see note 9) £ |
|----------|--------------------------------------|
| Show | 141,832 |
| Ram sale | 86,736 |
| Dog show | 110,232 |
| | <u>338,800</u> |

All charitable activities costs relate to the unrestricted fund.

9. Direct costs of charitable activities

| | 2019 | 2018 |
|--|----------------|----------------|
| | £ | £ |
| Printing, postage and stationery | 40,642 | 43,025 |
| Sundries | 24,366 | 26,804 |
| Prizes | 14,684 | 16,854 |
| Hire of marquees and fitting up showground | 171,341 | 197,562 |
| Catering and judges expenses | 16,140 | 16,615 |
| Entertaining | 11,500 | 13,180 |
| Security | 11,868 | 12,719 |
| Tup taxis | 8,406 | 8,266 |
| Hire of dog benching | 17,302 | 17,879 |
| Judges expenses | 12,334 | 14,178 |
| Honorarium | 3,923 | 3,828 |
| Dance | 6,294 | 8,688 |
| | <u>338,800</u> | <u>379,598</u> |

10. Support costs

| | Management | Finance | Governance costs | Totals |
|--------------------------|----------------|--------------|---------------------|----------------|
| | £ | £ | £ | £ |
| Other resources expended | <u>382,816</u> | <u>8,929</u> | <u>11,401</u> | <u>403,146</u> |

Border Union Agricultural Society

Notes to the Financial Statements - continued
for the year ended 30th September 2019

10. Support costs - continued

Support costs, included in the above, are as follows:

| | 2019 | 2018 |
|------------------------|---------------|---------------|
| | £ | £ |
| Auditors' remuneration | 9,040 | 8,575 |
| Legal fees | 2,361 | 4,363 |
| | <u>11,401</u> | <u>12,938</u> |

11. Net Income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

| | 2019 | 2018 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| Auditors' remuneration | 9,040 | 8,575 |
| Depreciation - owned assets | <u>83,578</u> | <u>75,291</u> |

12. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 30th September 2019 nor for the year ended 30th September 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30th September 2019 nor for the year ended 30th September 2018.

13. Staff costs

| | 2019 | 2018 |
|---------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 166,631 | 154,766 |
| Other pension costs | 3,515 | 2,818 |
| | <u>170,146</u> | <u>157,584</u> |

The average monthly number of employees during the year was as follows:

| | 2019 | 2018 |
|-----------------------|----------|----------|
| Full time equivalents | <u>5</u> | <u>5</u> |

No employees received emoluments in excess of £60,000.

The average number of employees during the year was 12 (2018 - 8).

The aggregate employee benefits for key management personnel for the year ended 30th September 2019 amounted to £46,337 (2018 - £51,061).

Border Union Agricultural Society

Notes to the Financial Statements - continued
for the year ended 30th September 2019

14. Comparatives for the statement of financial activities

| | Unrestricted fund £ | Restricted funds £ | Total funds £ |
|------------------------------------|------------------------------------|-----------------------------------|------------------------------|
| Income and endowments from | | | |
| Donations and legacies | 24,100 | 2,250 | 26,350 |
| Charitable activities | | | |
| Show | 223,310 | - | 223,310 |
| Ram sale | 165,345 | - | 165,345 |
| Dog show | 146,061 | - | 146,061 |
| Investment income | 16 | 3,939 | 3,955 |
| Other income | 126,795 | - | 126,795 |
| Total | 685,627 | 6,189 | 691,816 |
| Expenditure on | | | |
| Raising funds | | | |
| Investment management costs | - | 936 | 936 |
| | - | 936 | 936 |
| Charitable activities | | | |
| Show | 163,928 | - | 163,928 |
| Ram sale | 99,171 | - | 99,171 |
| Dog show | 116,499 | - | 116,499 |
| Other | 365,352 | 45,576 | 410,928 |
| Total | 744,950 | 46,512 | 791,462 |
| Net gains on investments | - | 3,136 | 3,136 |
| NET INCOME/(EXPENDITURE) | (59,323) | (37,187) | (96,510) |
| Reconciliation of funds | | | |
| Total funds brought forward | 266,209 | 334,539 | 600,748 |
| Total funds carried forward | 206,886 | 297,352 | 504,238 |

Border Union Agricultural Society

Notes to the Financial Statements - continued
for the year ended 30th September 2019

15. Tangible fixed assets

| | Showground and car park £ | Buildings £ | Fixtures and fittings £ | Totals £ |
|------------------------|------------------------------------|----------------|----------------------------------|-------------|
| Cost | | | | |
| At 1st October 2018 | 8,210 | 1,456,278 | 291,692 | 1,756,180 |
| Additions | - | 26,084 | 31,677 | 57,761 |
| At 30th September 2019 | 8,210 | 1,482,362 | 323,369 | 1,813,941 |
| Depreciation | | | | |
| At 1st October 2018 | - | 1,128,049 | 243,841 | 1,371,890 |
| Charge for year | - | 67,327 | 16,251 | 83,578 |
| At 30th September 2019 | - | 1,195,376 | 260,092 | 1,455,468 |
| Net book value | | | | |
| At 30th September 2019 | 8,210 | 286,986 | 63,277 | 358,473 |
| At 30th September 2018 | 8,210 | 328,229 | 47,851 | 384,290 |

16. Fixed asset investments

| | Shares in group undertakings £ | Listed investments £ | Totals £ |
|------------------------|---|----------------------------|-------------|
| Market value | | | |
| At 1st October 2018 | 1 | 120,570 | 120,571 |
| Additions | - | 31,273 | 31,273 |
| Disposals | - | (18,213) | (18,213) |
| Revaluations | - | 1,862 | 1,862 |
| At 30th September 2019 | 1 | 135,492 | 135,493 |
| Net book value | | | |
| At 30th September 2019 | 1 | 135,492 | 135,493 |
| At 30th September 2018 | 1 | 120,570 | 120,571 |

Shares in group undertakings are recognised at cost.

At 30th September 2019 there were investment assets of £68,263 (2018 - £54,812) held in the UK and £67,229 (2018 - £65,758) outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Border Union Agricultural Society

Notes to the Financial Statements - continued
for the year ended 30th September 2019

16. Fixed asset investments - continued

Border Union Limited

Registered office: Scotland

Nature of business: Letting of property

| | |
|------------------------|----------------|
| Class of share: | % |
| Ordinary | holding 100 |

| | 2019 | 2018 |
|--------------------------------|------------|-------------|
| | £ | £ |
| Aggregate capital and reserves | 408 | 140 |
| Profit/(loss) for the year | <u>268</u> | <u>(35)</u> |

17. Stocks

| | 2019 | 2018 |
|--------|--------------|--------------|
| | £ | £ |
| Stocks | <u>5,505</u> | <u>5,836</u> |

18. Debtors: amounts falling due within one year

| | 2019 | 2018 |
|---------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 140,803 | 132,507 |
| VAT | 191 | 187 |
| Prepayments | <u>6,042</u> | <u>8,339</u> |
| | <u>147,036</u> | <u>141,033</u> |

19. Current asset investments

| | 2019 | 2018 |
|----------------------|----------|----------|
| | £ | £ |
| Unlisted investments | <u>1</u> | <u>1</u> |

20. Creditors: amounts falling due within one year

| | 2019 | 2018 |
|---|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts (see note 22) | 8,374 | - |
| Trade creditors | 114,008 | 110,657 |
| Social security and other taxes | 4,173 | 3,519 |
| VAT | 34,502 | 45,592 |
| Inter company account | 86,675 | 96,122 |
| Accruals and deferred income | <u>12,500</u> | <u>8,763</u> |
| | <u>260,232</u> | <u>264,653</u> |

Border Union Agricultural Society

Notes to the Financial Statements - continued
for the year ended 30th September 2019

21. Creditors: amounts falling due after more than one year

| | 2019 | 2018 |
|--------------------------|---------------|-------------|
| | £ | £ |
| Bank loans (see note 22) | <u>86,233</u> | <u>-</u> |

22. Loans

An analysis of the maturity of loans is given below:

| | 2019 | 2018 |
|---|---------------|-------------|
| | £ | £ |
| Amounts falling due within one year on demand: | | |
| Bank loans | <u>8,374</u> | <u>-</u> |
| Amounts falling due between two and five years: | | |
| Bank loans - 2-5 years | <u>37,471</u> | <u>-</u> |
| Amounts falling due in more than five years: | | |
| Repayable by instalments: | | |
| Bank loans more 5 yr by instal | 48,762 | - |

23. Secured debts

The following secured debts are included within creditors:

| | 2019 | 2018 |
|------------|---------------|-------------|
| | £ | £ |
| Bank loans | <u>94,607</u> | <u>-</u> |

Bank of Scotland holds standard security over Springwood Park.

24. Movement in funds

| | At | Net | At |
|---------------------------|----------------|-----------------|----------------|
| | 1.10.18 | movement | 30.9.19 |
| | £ | in funds | £ |
| | | £ | |
| Unrestricted funds | | | |
| General fund | 206,886 | (24,527) | 182,359 |
| Restricted funds | | | |
| Grants | 150,398 | (36,201) | 114,197 |
| Legacy fund | 146,954 | 4,005 | 150,959 |
| | <u>297,352</u> | <u>(32,196)</u> | <u>265,156</u> |
| TOTAL FUNDS | <u>504,238</u> | <u>(56,723)</u> | <u>447,515</u> |

Border Union Agricultural Society

**Notes to the Financial Statements - continued
for the year ended 30th September 2019**

24. Movement in funds - continued

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 679,868 | (704,395) | - | (24,527) |
| Restricted funds | | | | |
| Grants | - | (36,201) | - | (36,201) |
| Legacy fund | 5,023 | (2,307) | 1,289 | 4,005 |
| | <u>5,023</u> | <u>(38,508)</u> | <u>1,289</u> | <u>(32,196)</u> |
| TOTAL FUNDS | <u>684,891</u> | <u>(742,903)</u> | <u>1,289</u> | <u>(56,723)</u> |

Comparatives for movement in funds

| | At 1.10.17 £ | Net movement in funds £ | At 30.9.18 £ |
|---------------------------|--------------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 266,209 | (59,323) | 206,886 |
| Restricted funds | | | |
| Grants | 186,599 | (36,201) | 150,398 |
| Legacy fund | 147,940 | (986) | 146,954 |
| | <u>334,539</u> | <u>(37,187)</u> | <u>297,352</u> |
| TOTAL FUNDS | <u>600,748</u> | <u>(96,510)</u> | <u>504,238</u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 685,627 | (744,950) | - | (59,323) |
| Restricted funds | | | | |
| Grants | - | (36,201) | - | (36,201) |
| Legacy fund | 6,189 | (10,311) | 3,136 | (986) |
| | <u>6,189</u> | <u>(46,512)</u> | <u>3,136</u> | <u>(37,187)</u> |
| TOTAL FUNDS | <u>691,816</u> | <u>(791,462)</u> | <u>3,136</u> | <u>(96,510)</u> |

Border Union Agricultural Society

Notes to the Financial Statements - continued
for the year ended 30th September 2019

24. Movement in funds - continued

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1.10.17 £ | Net movement in funds £ | At 30.9.19 £ |
|---------------------------|--------------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 266,209 | (83,850) | 182,359 |
| Restricted funds | | | |
| Grants | 186,599 | (72,402) | 114,197 |
| Legacy fund | 147,940 | 3,019 | 150,959 |
| | <u>334,539</u> | <u>(69,383)</u> | <u>265,156</u> |
| TOTAL FUNDS | <u>600,748</u> | <u>(153,233)</u> | <u>447,515</u> |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 1,365,495 | (1,449,345) | - | (83,850) |
| Restricted funds | | | | |
| Grants | - | (72,402) | - | (72,402) |
| Legacy fund | 11,212 | (12,618) | 4,425 | 3,019 |
| | <u>11,212</u> | <u>(85,020)</u> | <u>4,425</u> | <u>(69,383)</u> |
| TOTAL FUNDS | <u>1,376,707</u> | <u>(1,534,365)</u> | <u>4,425</u> | <u>(153,233)</u> |

The balance on restricted funds at 30th September 2019 is made up as follows:

Legacy fund - this fund was created in order to provide financial support in the form of bursaries to people with drive and ambition who have identified an opportunity to advance their careers, or start a new career, in an area relating to the society such as agriculture, forestry, horticulture, etc. The fund initially arose from donations.

Grants - this fund arose from grants received to assist with the building of the new hall. This fund reduces each year as depreciation is incurred.

Included within restricted funds is the investments revaluation gain of £17,631.

Border Union Agricultural Society

Notes to the Financial Statements - continued
for the year ended 30th September 2019

25. Related party disclosures

During the year Border Union Agricultural Society charged a service charge of £100,000 (2018 - £95,500) which is included in debtors and is due from Border Union Limited whose shares are all owned by Border Union Agricultural Society. Included in creditors is a balance due to Border Union Limited of £86,675 (2018 - £96,122). At 30th September 2019 Border Union Limited were due Border Union Agricultural Society £13,325 (2018 - (£622)).

During the year Crop Services Limited, of which D N G Stephen is a director, supplied goods on normal commercial terms of £1,166 (2018 - £1,592). At 30th September 2019 Border Union Agricultural Society were due Crop Services Limited £454 (2018 - £551).

26. Covid-19

All the charity's core events in 2019/20 have been cancelled together with many lettings. It is currently unknown when events will be able to take place again. Staff numbers have been reduced significantly and all retained staff, bar one part time member, have been furloughed. All non essential expenditure has ceased.

Subsequently a revised budget has been prepared to September 2021. A coronavirus business interruption bank loan has been received which addresses the cashflow issues. The budget for the year ended 30th September 2021 is largely based on the original 2020 budget with some variations in relation to the impact of Covid 19 on events and shows a positive outcome.