COUNTRY LAND AND BUSINESS ASSOCIATION LIMITED

ANNUAL ACCOUNTS

FOR THE YEAR ENDED

30 NOVEMBER 2022

COMPANY INFORMATION

Directors	Rupert Ashby (Director of Membership & Regions – Resigned 20 June 2022) Alexander Dickinson (Resigned 10 November 2022) Nick Downshire (Chair of Audit & Risk Committee) Ellen Francis Sarah Hendry (Director General) Gavin Lane (Vice President) Catherine Mead (Appointed 3 November 2022) James Miles-Hobbs Mark Tufnell (President) Ben Underwood (Director of Membership & Regions – Appointed 10 November 2022) Susan Villiers-Smith Victoria Vyvyan (Chair & Deputy President)
Company Secretary	Colin Hewitt (Appointed 20 June 2022) Rupert Ashby (Resigned 20 June 2022)
Company Number	06131587
Registered Office	16 Belgrave Square Belgravia London SW1X 8PQ
Auditor	Crowe U.K. LLP 4th Floor St James House St James Square Cheltenham GL50 3PR

CONTENTS

STRATEGIC REVIEW

The Directors present their strategic report on the company for the year ended 30 November 2022.

Review of the business

The Country Land and Business Association Limited (CLA) exists to promote, represent and advise owners of rural land, property and businesses in England and Wales. Our stated purpose is to champion, protect and enhance our rural economy, environment and way of life. We have around 26,000 members who between them own or manage over half of the rural land in England and Wales and are engaged with a wide range of different types of business.

In the financial year, CLA employed an average of 104 staff across our London and Wales offices, five English regional offices and the territorial sales team. The majority of our specialised staff are directly engaged in activity supporting members' interests:

- Through evidence-based analysis, access, relationships and trusted reputation, influencing key areas of government policy in London and Cardiff and advocacy with parliamentarians and Senedd Members;
- Providing expert advice to individual members on a wide range of complex issues, such as tenancy, litigation, taxation, planning and rights of way;
- Running regular topical seminars and other events; and
- Negotiating services such as insurance and healthcare, tailored to CLA members' businesses and circumstances.

During the financial year, the CLA maintained a strong focus on member retention and recruitment, including preparations to implement a simpler landowning subscription system and development of a new recruitment model. The new subscription system was launched at the start of December 2022. The recruitment and retention strategy was supported by a new marketing campaign, an upgrade to the CLA's database, standardisation of key processes and improved data collection and handling. Member services income continued to grow and a number of new services and offers were introduced. We ran a full programme of well-received in-person and digital events, including a series of natural capital roadshows, as well as being present at major shows for the first time in two years, with large attendances.

Throughout the year the CLA continued to influence government policy proposals in Westminster and Cardiff across a wide range of areas important to members. The CLA's flagship Rural Powerhouse campaign went from strength to strength, publishing a report from the Westminster All Party Parliamentary Group (APPG) on the Rural Powerhouse, following a comprehensive inquiry into the rural economy. The report set out 27 recommendations for government action. An inquiry was launched by the Senedd Cross-Party Group (CPG) on rural growth in late 2022.

Other key topical areas which the CLA worked to influence included the development of new agriculture policies, green finance, natural capital markets, taxation for tourism and environmental delivery, and planning reform. The CLA Rural Business Conference brought many of these themes together and showcased examples of "Overcoming the barriers to business success". Progress was made on the development of new agricultural policies, with a draft bill in Wales and more scheme options and increased payment rates in England. CLA campaigns against fly-tipping and hare-coursing were successful, with tougher legislation introduced on the latter.

The CLA aims to remain at the forefront of responsible business practice and in 2022 became accredited under the Good Business Charter. The Charter measures behaviour over 10 components: real living wage; fairer hours and contracts; employee wellbeing; employee representation; diversity and inclusion; environmental responsibility; paying fair tax; commitment to customers; ethical sourcing; and prompt payment.

During the year Ben Underwood was appointed as the new Director of Membership and Regions.

Future developments

In 2023, our focus on providing excellent quality member service will be maintained, includinglooking at how our expert advisory service is delivered. The CLA will continue to engage on members' behalf with governments. The new schemes to support farmers will remain a priority as will evolving areas such as climate change mitigation and natural capital, and planning, taxation and other measures that could help close the rural productivity gap and create jobs and investment in rural communities. Water availability and quality are rising priorities and we will focus on solutions that work for members and the environment. The APPG on the Rural Powerhouse will publish a further report in Spring 2023 highlighting the impacts of the cost-of-living-crisis on rural businesses and communities. The Senedd CPG inquiry is expected to report in Autumn 2023.

Financial performance

An Operating deficit before interest and tax of £566k (2021: £150k surplus) was in line with the budget as the company looked to invest in a number of member services following two years of healthy surpluses. Total income was £9,951k (2021: £9,979k); Sponsorship and event income increased as live events returned, although there was a drop in related company and grant income.

Total expenditure was £10,517k (2021: £9,829k), of which employment costs were the biggest single category, these fell below the previous year due to a number of staff vacancies. Other areas of the business saw increases in costs due to inflation as well as the return to a near normal events calendar. Capital expenditure increased as the company invested in the CRM system and website.

The CLA has an obligation to service a closed Defined Benefits pension scheme for retired employees The value of assets as per FRS 102, as at the end of November 2022, shows a £2,349k shortfall. This is significantly larger - by £2,102k - than 2021, following a turbulent year in the markets, specifically for pension funds. The CLA made a contribution of £270k in January 2022.

The value of marketable investments has decreased by £723k to £6,848k (2021: £7,571k) including a transfer to cash & bank of £400k. Although markets exhibited volatility, performance of the investment portfolio was better than a number of comparable funds. Cash in the Bank decreased by £660k to £527k (2021: £1,187k).

The operating deficit and the decline in investments (including the crystallisation of certain gains) and the increase in the deficit of the pension scheme have meant that reserves have decreased by £3,041k to £8,955k.

The CLA remains in a strong financial position and following above budget profits for the two COVID years, the Board have budgeted to continue to invest in member events and services, with another managed operating deficit planned for 2023.

On behalf of the Board

Sarah Hendry
Director General 4 May 2023

DIRECTORS' REPORT FOR THE YEAR ENDING 30 NOVEMBER 2022

The Directors present their report and audited financial statements of the company for the year ended 30 November 2022.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the strategic report, the governance statement and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. The Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards, including FRS102 have been followed, subject to any material departures and explained in the financial statements;
- Notify its members in writing about the use of disclosure exemptions, if any, of FRS102 used in the preparation of financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware and the Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information, and to establish that the company's auditors are aware of that information.

GOVERNANCE STATEMENT

The company was incorporated on 28 February 2007 to acquire the business, assets and liabilities of Country Land & Business Association (an unincorporated body originally established in July 1907) with effect from 31 March 2007. The Board is responsible for all the affairs of the company, and the Council is the forum in which the Board are held directly accountable.

As a membership organisation, control is placed with the Board, who report to the members via Council. As the company is Limited by Guarantee, it has no owners or shareholders. The liability of each member in the event of the company winding up is limited to £1. The total liability of members is limited to £26k at 30 November 2022.

The company is committed to a high standard of governance and adopts best practice. The governance structure shapes the way that information flows throughout the company and to the members. The relationship between the Board, Council and the members is:

- Board members are appointed at the Annual General Meeting, following the recommendation of the Board;
- The Board is responsible for the strategic direction of the company, financial stewardship and holding the Director General and Senior Management to account. The Board has a number of sub-committees: Audit & Risk, Investment, Nominations, and Remuneration;
- There is an established network of Regional offices. The regional teams are led by a Regional Director, reporting to the Director General and Board via the Director of Membership & Regions;
- The President acts as Chair of Council;
- The Deputy President acts as Chair of the Board of Directors;
- A number of Committees comprised of members as well as employees help guide policy and act as forums for debate, reporting back to Council.

A register of Declaration of Interests is held by the Company Secretary for Council and Board members.

During the year, Council met three times and discussed a number of issues and factors affecting the rural economy. The Board met formally four times.

Good Business Charter

The company aims to remains the forefront of responsible business practice and has recently secured accreditation from the Good Business Charter (GBC). The GBC measures behaviour over 10 components: real living wage, fairer hours and contracts, employee well-being, employee representation, diversity and inclusion, environmental responsibility, paying fair tax, commitment to customers, ethical sourcing, and prompt payment.

The company is a signatory to the Prompt Payment Code and, in line with the Good Business Charter, prioritises paying all suppliers within 30 days as standard practice.

The company is committed to adhering to responsible tax management practices. We will pay our taxes where applicable and we will not engage in tax avoidance. We publish our tax policy in the public domain. We are committed to transparency in our relationship with HMRC, providing all relevant information to them, and to co-operating in resolving any disputes.

Internal Control & Risk Management

The Audit & Risk Committee is responsible for setting the risk framework as well as reviewing the company's attitude to risk and set up a new Investment and Reserves sub-committee to ensure additional scrutiny on these key areas.

The company's insurances are reviewed annually by the Audit & Risk Committee. This review is to ensure that there are appropriate levels of insurance cover across the company. Additionally, a disaster recovery plan is in place which is reviewed periodically by both the Senior Management Team and the Audit & Risk Committee.

The company has an ongoing process for identifying, evaluating and managing the risks that it may face. A risk register highlights the key risks and the likelihood of those risks occurring as well as assessing the potential impacts on the company, its members and its employees and risk mitigation.

However, even the most robust system only provides reasonable, and not absolute, assurance with respect to risk mitigation, the preparation of financial management information and the safeguarding of the company's reputation and assets.

Membership income is the key revenue stream. Membership numbers and acreage determine subscription income; new membership sales and retention of members are the principal risk to the company, and are continuously monitored. We have recently restructured our membership and sales teams as well as increased our investment in member services in order to maximise member engagement and retention.

Matters covered in the Strategic Report
Under s414C(11), the Strategic Report contains a fair review of the business, the principle risks and uncertainties faced by the business; future developments; and the key financial and non-financial performance indicators as considered by the Board of Directors. This information is therefore excluded from the Directors' Report.

A resolution proposing the re-appointment of the auditors will be put to the Annual General Meeting.
On behalf of the Board:

Sarah Hendry
Director General 4 May 2023

Independent Auditor's Report to the Members of Country Land and Business Association Limited

Opinion

We have audited the financial statements of Country Land and Business Association Limited for the year ended 30 November 2022 which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statements of Cash Flows and notes to the financial statements, including significant accounting policies. 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 financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information contained within the annual report. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the company, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of subscription income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of subscription income, and reading minutes of Directors meetings.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is available 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 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Tara Westcott
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor St James House
St James Square
Cheltenham
GL50 3PR

Date: 23 May 2023

STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 November 2022

	Note	2022 £000's	2021 £000's
Income			
Subscription Income		8,225	8,257
Government Grant Income	5		97
Sundry Income	5	1,726	1,625
		9,951	**9,979**
Expenditure			
Membership & Other Services		(10,517)	(9,829)
		(10,517)	**(9,829)**
Operating (Deficit)/Surplus		**(566)**	**150**
Interest Paid		(3)	(14)
Interest Received & Similar Income	8	121	96
(Loss)/Profit on Ordinary Activities before Tax		**(448)**	**232**
Tax on (Loss)/ Profit on Ordinary Activities	9	(64)	(74)
Profit for the Financial Year		**(512)**	**158**
OTHER COMPREHENSIVE INCOME			
Items which may not be classified to net income:			
Actuarial (Loss)/Gain Pension Scheme	16	(2,254)	799
Items which may be classified to net income:			
Realised Loss on Investment Disposals		(255)	(96)
Unrealised Gain on Leasehold property revaluation		-	245
Deferred Tax Charge on Unrealised Gain on Investment		123	(188)
Unrealised (Loss)/Gain on Investment Revaluation		(143)	697
Deferred Tax on Leasehold Revaluation Reserve		-	(573)
Total Other Comprehensive Income		**(2,529)**	**884**
TOTAL COMPREHENSIVE INCOME		**(3,041)**	**1,042**

BALANCE SHEET

Year ended 30 November 2022

	Note	2022 £000's	2021 £000's
Non-Current Assets:			
Tangible Fixed Assets	10	9,500	9,384
Investments	11	6,848	7,571
		16,348	**16,955**
Current Assets:			
Debtors	12	825	692
Cash at Bank		527	1,187
		1,352	1,879
Creditors due within one year:			
Subscriptions Received in Advance		(3,533)	(3,656)
Trade Creditors		(667)	(495)
Tax & Social Security		(257)	(247)
Accruals & Deferred Income		(404)	(535)
		(4,861)	(4,933)
Net Current Liabilities		**(3,509)**	**(3,054)**
Total Assets less Current Liabilities		**12,839**	**13,901**
Provision for Liabilities			
Deferred Taxation	14	(1,535)	(1,658)
Post-employment Benefits	16	(2,349)	(247)
NET ASSETS		**8,955**	**11,996**
FUNDS			
Accumulated Fund		3,645	6,686
Leasehold Revaluation Reserve		5,310	5,310
		8,955	**11,996**

The notes on pages 17 to 27 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 4 May 2023 and were signed on its behalf by:

Sarah Hendry
Director General
Country Land and Business Association Limited, registration number 06131587

STATEMENT OF CHANGES IN EQUITY

Year ended 30 November 2022

	Accumulated Fund	Leasehold Revaluation Reserve	TOTAL
	£000's	**£000's**	**£000's**
Balance at 1 December 2020	**5,092**	**5,862**	**10,954**
Surplus for Year	158	-	158
	5,250	5,862	11,112
Actuarial Gain on Pension Fund	799	-	799
Gain on Leasehold revaluation	-	245	245
Unrealised Gain on Investments	697	-	697
Realised loss on Investments	(96)	-	(96)
Deferred Tax on Investments	(188)	-	(188)
Deferred Tax on Leasehold Property	-	(573)	(573)
Release of Leasehold Property Reserve	224	(224)	-
Balance at 30 November 2021	**6,686**	**5,310**	**11,996**
Balance at 1 December 2021	**6,686**	**5,310**	**11,996**
Deficit for Year	(512)	-	(512)
	6,174	5,310	11,484
Actuarial Loss on Pension Fund	(2,254)	-	(2,254)
Unrealised Loss on Investments	(143)	-	(143)
Realised Loss on Investments	(255)	-	(255)
Deferred Tax on Investments	123	-	123
Balance at 30 November 2022	**3,645**	**5,310**	**8,955**

STATEMENT OF CASH FLOWS

Year ended 30 November 2022	2022	2021
	£000's	£000's
Net Cash from Operating Activities	**(499)**	**61**
Cash Flow from Investing Activities		
Purchase of Tangible Assets	(292)	(47)
Transfer from Investments	400	(350)
Transfer to Pension Fund	(270)	-
Interest Received	1	-
Net Cash Used in Investing Activities	**(162)**	**(397)**
Net (Decrease) in Cash & Cash Equivalents	**(660)**	**(336)**
Cash & Cash Equivalents at 1 December	**1,187**	**1,523**
CASH & CASH EQUIVALENTS AT 30 NOVEMBER	**527**	**1,187**

Reconciliation of Profit for the Financial Year to Net Cash from Operating Activities:

	2022		2021	
(Deficit)/Surplus for the year	(512)		158	
Adjustments for:				
Taxation charge	64		74	
Tax paid	(42)		(43)	
Pension Scheme service costs	115		74	
Depreciation	176		162	
Investment manager fees	43		46	
Interest Receivable & Investment Income	(121)		(96)	
Interest Paid	3		14	
Increase in Debtors	(133)		(282)	
Increase in Trade Creditors	173		34	
(Decrease)/Increase in Accruals & Deferred Income	(129)		1	
Decrease in Subscriptions Received in Advance	(123)		(102)	
Tax and social security	(13)		21	
Net Cash (Outflow)/Inflow from Operating Activities		**(499)**		**61**

Analysis of Net Cash/(Debt)

	At 30 Nov 2021	Cash flows	At 30 November 2022
	£000's	**£000's**	**£000's**
Cash at bank	1,187	**(660)**	**527**

NOTES TO THE FINACIAL STATEMENTS

1. General Information

Country Land and Business Association Limited is a membership organisation representing rural land owners and businesses by lobbying Government, also providing advice to its members.

The company is a private company limited by guarantee, and is registered in England. The address of its Registered Office is 16 Belgrave Square, London, SW1X 8PQ with a registered number of 06131587.

2. Statement of Compliance

The financial statements of Country Land and Business Association Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS102) and the Companies Act 2006.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS102 in these financial statements.

a) Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit and loss. The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

b) Going Concern

The Board has assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Board has made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Board has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern, even considering the impact of the current economic climate. The Board is of the opinion that the company will have sufficient resources to meet its liabilities as they fall due.

c) Consolidated financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The company's subsidiary undertaking is not material. The company has therefore taken advantage of the exemption provided by s.402 of the Companies Act 2006 not to prepare group statements.

d) Revenue Recognition

Annual membership subscriptions are recognised as income on an accruals basis applicable to that membership period, and any part of the subscription applicable to the following year is carried forward as Deferred Income.

e) Taxation

The company is a mutual entity operating for the benefit of its members. It is liable to taxation on income from non-members and other external sources.

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

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

f) Employee Benefits

The company provides a range of benefits to employees, including paid holiday arrangements, season ticket loans and defined contribution pension plans.

i. <u>Short Term Benefits</u> – including holiday pay are recognised as an expense in the period which the service is received.

ii. <u>Defined Contribution Pension Scheme</u> – the company operates a defined contribution scheme for its employees. A defined contribution scheme is a pension scheme under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in creditors in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

iii. <u>Defined Benefits Pension Scheme</u> – this scheme was closed for future accrual with effect from March 2010. The company has agreed with the Plan trustees that it does not need to participate in a deficit funding arrangement from 30 November 2020 for three years until the next triennial review. The unwinding of the discount is recognised as a finance cost. The surplus recognised in the balance sheet in respect of the closed Defined Benefit Scheme is the present value of the defined benefit obligations at the end of the reporting date less the fair value of the closed plan at the reporting date.

The closed defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and have terms approximating the estimated period of the future payments (the "discounted rate").

The fair value of the closed Scheme assets is measured in accordance with the FRS102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income. These amounts together with the return on Scheme assets, less amounts included in net interest, are disclosed as "Re-measurement of net defined benefit liability".

The cost of the closed Defined Benefit Scheme, recognised in profit or loss as employee costs, except where included in the elsewhere, comprising of the administrative costs for the closed Scheme.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the closed Scheme's assets. This cost is recognised in profit or loss as "Finance Expenses".

iv. Holiday pay accrual – a liability is recognised to the extent of any unused pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued plus the associated National Insurance liability.

g) Tangible Assets

Tangible assets are stated at cost (or latest economic value) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

i. Land & Buildings – include freehold and long & short leasehold offices, and are stated at cost (or periodically revalued) less accumulated depreciation and accumulated impairment losses.
The company has adopted a policy of revaluing long leasehold buildings and showing them at their revalued amount less any subsequent depreciation and accumulated impairment losses.
The difference between depreciation based on the latest valuation charged in the Statement of Comprehensive Income and the asset's original cost is transferred from revaluation reserve to retained earnings.

ii. Plant & machinery, and fixtures, fittings tools and equipment – are stated at cost less accumulated depreciation and accumulated impairment losses.

iii. Computer software - Computer software along with any associated licences is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and ten years, on a straight-line basis.

iv. Depreciation and residual values – Depreciation on assets is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

Leasehold property	**- period of lease**
Plant & machinery	**- 10 to 15 years**
Office equipment	**- 3 to 5 years**
Computer Software	**- 3 to 10 years**

Computer equipment	**- 3 to 4 years**
Furniture and fittings	**- 3 to 10 years**

The asset's residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

h) Investments

Investments are included in the balance sheet at market value. Surpluses or deficits on disposal represent the difference between the net disposal proceeds and the net carrying amount, and are recognised in the Statement of Comprehensive Income.

i) Provisions for liabilities

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by transfer of an economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year the company becomes aware of the obligation, and are measured at the best estimate as at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the Statement of Comprehensive Income, and the provision is released.

j) Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities, trade debtors, other debtors, trade creditors and other creditors.

k) Government Grant

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable.

l) Redundancy Payments

Redundancy payments occur when absolutely necessary and are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical accounting estimates and assumptions

i. Useful economical lives of tangible assets – the annual depreciation charge for tangible assets is sensitive to changes in the estimated economic lives and residual values of the assets. The useful economic lives and residual values are estimated and re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, economic utilisation and the physical condition of the asset.

ii. Impairment of debtors – the company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including historical experience. See note 12 for the net carrying value of debtors.

iii. Defined Benefit Pension Scheme – whilst the scheme is closed to new entrants and accruing future benefit, the company retains an obligation regarding previous service. The cost of this obligation depends on a number of factors including: life expectancy; asset valuations; inflation; expected rates of return on investments and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation on the balance sheet. The assumptions reflect historical experience and current trends. See note 16 for the disclosure relating to the Defined Benefit Pension Scheme.

iv. Leasehold Property- Leasehold property is carried at fair value determined annually by external valuers or by the directors and derived from comparable real estates. Changes in fair value are recognised in the Statement of Comprehensive Income.

5. Other Income and Sundry Income

Sundry Income comprises income from the sale of advisory handbooks, commission income from CLA Insurance, regional events and sponsorship and other sources of income.

6. Operating (Loss)/Profit

	2022 £000's	2021 £000's
Operating (Loss)/Profit is stated after charging:		
Audit Fees payable to the company's auditors	22	20
Other fees payable to the auditors - Tax	2	2
Operating leases payable – rent	149	143

7. Employees and Directors

Staff costs, including Directors' remuneration, were as follows:

	2022 £000's	2021 £000's
Wages and salaries	4,861	4,883
Social security costs	583	514
Pension costs	454	439
Redundancy costs	7	51
	5,905	5,887

The average number of staff employed by the company during the year was 104 (2021: 103)

Note 7: Continued

The Directors' & Senior Management Team's emoluments (key management) were as follows:

	2022 £000's	2021 £000's
Emoluments in respect of qualifying services	949	846
Pension contributions to money purchase schemes	70	63

Retirement benefits are accruing under money purchase pension schemes for 6 Directors & Senior Managers.

Highest paid Director:		
Emoluments in respect of qualifying service	139	138
Pension contributions to money purchase scheme	14	14

8. Interest Receivable & similar income

	2022 £000's	2021 £000's
Investment Income from stocks & deposits	120	96
Bank Interest	1	-
	121	96

9. Taxation

	2022 £000's	2021 £000's
(Loss)/Profit on ordinary activities before tax	(449)	232
UK Corporation Tax at 19% (2021: 19%)	(85)	44
Effects of:		
Expenses not deductible for tax purposes	1,784	1,629
Income not taxable for tax purposes	(1,631)	(1,628)
Adjustment to previous years	(4)	29
	64	74

Member Services provided by the company are regarded as mutual activities, and any surplus arising is exempt from Corporation Tax. Income derived from other sources, including investment income and chargeable gains are taxable at 19% (2021: 19%)

10. Tangible Fixed Assets

	Long Leasehold £000's	Other Assets £000's	Total £000's
Cost:			
At 1 December 2021	9,000	690	9,690
Additions	-	292	292
Disposals	-	(1)	(1)
As at 30 November 2022	9,000	981	9,981
Depreciation:			
At 1 December 2021	-	306	306
Charge for the year	86	89	175
As at 30 November 2022	86	395	481
Net Book Value 2022	**8,914**	**586**	**9,500**
Net Book Value 2021	9,000	384	9,384

The long leasehold of 16 Belgrave Square, London was acquired by the company in 2001 and is for a term of 125 years. A full valuation of the existing use (on the lease) was carried out as at 30 November 2021 by Savills (UK) Limited maintaining the valuation at £9 million. This valuation has been reviewed by the Directors to take into account changes in the market value from November 2021 to November 2022 and in their opinion £9 million is a fair reflection of the open market value at the year end. A Deferred Tax charge of £1,286k (2021: £1,286k) has been applied as a liability, with the Unrealised Leasehold Gain reduced accordingly. The company intends to continue to regularly revalue the lease, meaning periodically an adjustment to depreciation is required.

11. Investments

	Total 2022 £000's	**Total 2021** £000's
Valuation:		
At 1 December 2021	7,572	6,570
Amounts invested	-	500
Amounts extracted	(400)	(150)
Investment management fee	(43)	(47)
Investment Income Disposals	119	97
(Decrease)/Increase in Value	(399)	601
At 30 November 2022	**6,849**	7,572

A Deferred Tax credit of £123k (2021: £188k) has been applied as a reduction in the liability on the Unrealised Gain of their market value at 30 November 2022.

The company holds 100% of the Ordinary Shares in CLA Insurance Services Ltd. The subsidiary was incorporated in England & Wales and was dormant in the year. The Profit & Loss Account of the subsidiary for the relevant financial year was £nil and the Capital Reserves were £1.

12. Debtors

	2022	2021
	£000's	£000's
Trade Debtors	193	247
Prepayments	368	169
Other Debtors	36	9
Accrued Income	228	267
	825	692

13. Commitments under operating leases

At 30 November 2022 the Company had future minimum lease payments due under noncancellable operating leases for each of the following periods:

	2022	2021
	£000's	£000's
Not later than 1 year	54	54
Later than 1 year and not later than 5 years	218	218
Later than 5 years	5,846	5,900

14. Deferred Tax

	2022	2021
	£000's	£000's
Balance as at 30 November 2021	1,658	897
Movement on Unrealised Gains on Leasehold Property	-	573
Movement on Unrealised Gains on Investments	(123)	188
As at 30 November 2022	**1,535**	1,658

15. Financial Instruments

The company has the following financial instruments:

	2022	2021
	£000's	£000's
Financial assets measured at fair value		
Investments	6,848	7,571
Financial assets that are debt instruments measured at amortised cost		
Trade Debtors	193	247
Accrued Income	228	267
Other Debtors	36	9
Cash at Bank	527	1,187
Financial liabilities measured at amortised cost		
Trade Creditors	(667)	(495)
Accruals	(285)	(441)

16. Post-employment Benefits

The company operates both a Defined Contribution Pension Scheme and a closed Defined Benefits Pension Scheme. The assets of both schemes are held separately from that of the company in independently administered funds.

Defined Contribution Scheme

The company made contributions during the year of £450k (2021: £435k) to the Defined Contribution Pension Scheme on behalf of its employees. The company expects to make contributions of £485k to the scheme during the year to 30 November 2023.

In addition to the Defined Contribution Scheme, the company made contributions of £4k (2021: £4k) towards the personal pension scheme of certain employees who are not members of the Defined Contribution Scheme.

Defined Benefit Scheme

With effect from March 2010, this scheme was closed to new entrants and ceased to provide any further benefit accrual to the then active members (who became Deferred Pensions, subject to statutory revaluations from that date).

At the 1 December 2020 triennial valuation, the actuary stated that as the Scheme was in surplus no further contributions were required from 1 December 2020 (which would be reviewed at the next triennial valuation). During the year, the company contributed £270k (2021: £nil) towards the Scheme's administration, to cover the costs for the next 3 years.

A qualified independent actuary carried out calculations as of 30 November 2022 to obtain the amounts reported under FRS102.

Balance Sheet & Notes:

The major assumptions for FRS102 purposes were:

	2022	2021
Rate of increase in salaries	nil%	nil%
Rate of increase to pensions	3.05%	3.50%
Revaluation in deferment	2.25%	3.10%
Discount Rate	4.30%	1.65%
Inflation (RPI)	3.15%	3.65%
Inflation (CPI)	2.60%	3.10%
Mortality Assumption	100% S3PA CMI 2021 1% (w2020 & w2021 = 25%)	100% S3PA CMI 2020 1.0%

Under the mortality tables adopted, the assumed life expectancy at age 65 is as follows:

	2022	2021
Male currently aged 45	21.9	22.7
Male currently aged 65	21.0	21.8
Female currently aged 45	24.7	25.3
Female currently aged 65	23.6	24.1

Reconciliation of present value Scheme Liabilities	2022 £000's	2021 £000's
Opening Defined Benefit obligation	26,960	25,885
Interest Cost	436	380
Actuarial (loss)/gain	(7,787)	1,740
Benefits paid	(1,041)	(1,045)
Closing Defined Benefit obligation	**18,568**	26,960

Reconciliation of present value Scheme Assets	2022 £000's	2021 £000's
Opening fair value of Scheme assets	26,713	24,927
Expected return on assets	433	366
Expenses	(115)	(74)
Benefits paid	(1,041)	(1,045)
Actuarial (loss)/gain on assets	(10,041)	2,539
Company Contribution	270	-
Closing fair value of Scheme assets	**16,219**	26,713
Deficit	**(2,349)**	(247)

Amounts Recognised in the Statement of Comprehensive Income

	2022 £000's	2021 £000's
Interest cost	(436)	(380)
Expected return on assets	433	380
Expenses paid	(115)	(88)
	(118)	(88)

Assets

The major categories of assets as a percentage of total assets and the expected return on assets for the period following the date shown are as follows:

Asset Class:	2022 Proportion held	2021 Proportion held
Growth	54%	39%
Cash	8%	2%
Liability Driven Investments (LDI)	34%	55%
Insured	5%	4%
Overall	**100%**	**100%**

The actual return on the Scheme's assets over the year was -36.6%, as calculated by the Scheme Actuary.

17. Related Parties

One Director is also a Trustee of CLA Charitable Trust. During the financial year CLA collected donations on behalf of CLA Charitable Trust as part of the annual subscription to the CLA. At 30 November 2022, an amount of £5,685 (2021 - £2,855) was owed to CLA Charitable Trust.

One Director was also Trustee of the closed CLA Defined Benefit Pension Scheme.