

**COUNTRY LAND AND BUSINESS ASSOCIATION LIMITED**

**ANNUAL ACCOUNTS**

**FOR THE YEAR ENDED**

**30 NOVEMBER 2021**

**COMPANY INFORMATION**

**Directors** Rupert Ashby (Director of Membership & Regions)  
Mark Bridgeman (Resigned 12 November 2021)  
Alexander Dickinson  
Nick Downshire (Chair of Audit & Risk Committee)  
William Fox (Resigned 12 November 2021)  
Ellen Francis (Appointed 12 November 2021)  
Andrew Grant (Resigned 12 November 2021)  
Sarah Hendry (Director General)  
Gavin Lane (Vice President) (Appointed 12 November 2021)  
James Miles-Hobbs (Appointed 12 November 2021)  
Mark Tufnell (President)  
Susan Villiers-Smith  
Victoria Vyvyan (Chair & Deputy President)

**Company Secretary** Rupert Ashby

**Company Number** 06131587

**Registered Office** 16 Belgrave Square  
Belgravia  
London  
SW1X 8PQ

**Auditor** Crowe U.K. LLP  
4<sup>th</sup> Floor St James House  
St James Square  
Cheltenham  
GL50 3PR

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## **STRATEGIC REVIEW**

The Directors present their strategic report on the company for the year ended 30 November 2021.

### **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 103 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.

The CLA's activities in 2021 continued to be restricted to a considerable extent by lengthy periods of Covid-19 lockdown restrictions in both England and Wales. Apart from a couple of short periods when the public health guidance was briefly relaxed, the whole organisation worked from home and operated mostly online from January to June. While this was achieved with minimal impact on essential services to members, it severely curtailed our planned programme of member events and impacted on face-to-face member recruitment. Despite this, the CLA continued to support members and lobby governments to deal with the ongoing severe business impacts of Covid-19. We were delighted that the CLA's efforts were recognised when we won the Best Membership Support during Covid-19 (5000+ members) category in the 2021 Association Excellence Awards.

Throughout 2021 we continued to influence government policy proposals in both Westminster and Cardiff across a wide range of areas important to CLA members. Areas of particular focus included the development of new agricultural policies, green finance and natural capital markets, taxation for tourism and environmental delivery, planning reform and energy efficiency standards. The CLA maintained our long standing campaigns against fly-tipping and hare-coursing. The CLA's Rural Powerhouse campaign stepped up a gear and we worked with the All-Party Parliamentary Group (APPG) on the Rural Powerhouse which conducted a major inquiry into the rural economy. The CLA's highly successful Rural Business Conference in December "Towards Net Zero" reflected the national focus on climate change around COP26 in Glasgow.

During 2021, Colin Hewitt, the new Director of Finance was appointed.

### **Future developments**

Looking ahead, 2022 will be another very busy year for the CLA, with a new Agriculture Bill in Wales and new Planning and Levelling Up Bills in England. The CLA will continue to engage with governments on the new schemes designed to support farmers, and promote a wide range of measures that could help close the rural productivity gap and create jobs and investment in rural communities and explore ways in which the negative impact of Russia's invasion of the Ukraine can be mitigated. We will maintain our focus on important evolving areas of policy such as climate

change mitigation and natural capital and continue to support and advise members on how they can engage with these.

In line with the CLA's Corporate Plan for the period 2020-2022, we continue to take steps to modernise some of our key business processes, in particular our sales and recruitment models, our methods of member engagement, and our use of data to provide tailored member services.

### Financial performance

Covid-19 impacted on both planned income and expenditure, with lower than budgeted income from new membership and events, counterbalanced by lower expenditure on events, travel expenses and other administration costs.

An Operating surplus before interest and tax of £150k (2020: £964k) was ahead of budget. Total income was £9,979k (2020: £9,725k); membership subscriptions, which were below the budgeted level, were partially offset by higher than budgeted sundry income.

Total expenditure was £9,829k (2020:£8,961k), of which employment costs are the biggest single category, these were below budget due to a number of short-term staff vacancies. Capital expenditure was in line with the previous year.

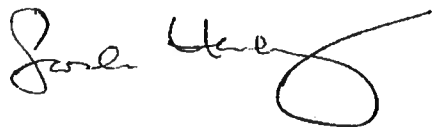
The CLA has an obligation to service a closed Defined Benefits pension scheme for ex-employees. The value of assets as per FRS 102, as at the end of November 2021 shows a £247k shortfall, this is a significant reduction of £958k from 2020. The CLA made a contribution of £270k in January 2022.

The value of marketable investments has increased by £1,001k to £7,571k (2020: £6,570k) including a transfer from cash & bank of £350k. Although markets exhibited volatility, performance of the investment portfolio was strong. Cash in the Bank has decreased by £336k to £1,187k (2020: £1,523k).

The operating surplus and the growth in investments (including the crystallisation of certain gains), the reduction in the deficit of the pension scheme, coupled with a gain following the revaluation of the lease of 16 Belgrave Square, London, has meant that reserves have increased by £1,042k to £11,996k.

This has put the CLA in a strong financial position with significantly enhanced investments and net assets; having made above budget profits for the past two years, the Board have budgeted to invest heavily in member events and services, following the inevitable lack of engagement caused by covid.

On behalf of the Board



**Sarah Hendry**

28<sup>th</sup> April 2022

## **DIRECTORS' REPORT FOR THE YEAR ENDING 30 NOVEMBER 2021**

The Directors present their report and audited financial statements of the company for the year ended 30 November 2021.

### **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 2021.

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 remain 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.

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

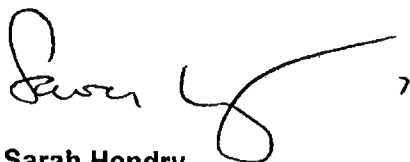
respect to risk mitigation, the preparation of financial management information and the safeguarding of the company's reputation and assets.

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

28 April 2022



## **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 2021 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 2021 and of its profit 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 7, 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](http://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  
**4<sup>th</sup> Floor St James House**  
**St James Square**  
**Cheltenham**  
**GL50 3PR**

13 May 2022

**STATEMENT OF COMPREHENSIVE INCOME**

Year ended 30 November 2021

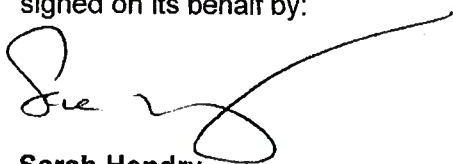
	Note	2021 £000's	2020 Restated £000's
<b>Income</b>			
Subscription Income		8,257	8,143
Government Grant Income	5	97	
291			
Sundry Income	5	<u>1,625</u>	<u>1,291</u>
		<b>9,979</b>	<b>9,725</b>
<b>Expenditure</b>			
Membership & Other Services		<u>(9,829)</u>	<u>(8,761)</u>
		<b>(9,829)</b>	<b>(8,761)</b>
<b>Operating Surplus</b>		<b>150</b>	<b>964</b>
Interest Paid		(14)	-
Interest Received & Similar Income	8	<u>96</u>	<u>69</u>
<b>Profit on Ordinary Activities before Tax</b>		<b>232</b>	<b>1,033</b>
Tax on Profit on Ordinary Activities	9	<u>(74)</u>	<u>(13)</u>
<b>Profit for the Financial Year</b>		<b>158</b>	<b>1,020</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items which may not be classified to net income:</b>			
Actuarial Gain/(Loss) Pension Scheme	15	799	(914)
<b>Items which may be classified to net income:</b>			
Realised Loss on Investment Disposals		(96)	(20)
Unrealised Gain on Leasehold property revaluation		245	-
Deferred Tax Charge on Unrealised Gain on Investment		(188)	(132)
Unrealised Gain on Investment Revaluation		697	455
Deferred Tax on Leasehold Revaluation Reserve		<u>(573)</u>	<u>301</u>
<b>Total Other Comprehensive Income</b>		<u><b>884</b></u>	<u><b>(310)</b></u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><b>1,042</b></u>	<u><b>710</b></u>

**BALANCE SHEET**

Year ended 30 November 2021	Note	2021 £000's	2020 Restated £000's
<b>Non-Current Assets:</b>			
Tangible Fixed Assets	10	9,384	9,253
Investments	11	<u>7,571</u>	<u>6,570</u>
		<b><u>16,955</u></b>	<b><u>15,823</u></b>
<b>Current Assets:</b>			
Debtors	12	692	410
Cash at Bank		<u>1,187</u>	<u>1,523</u>
		1,879	1,933
<b>Creditors due within one year:</b>			
Subscriptions Received in Advance		(3,656)	(3,758)
Trade Creditors		(495)	(461)
Tax & Social Security		(247)	(194)
Accruals & Deferred Income		<u>(535)</u>	<u>(534)</u>
		(4,933)	(4,947)
<b>Net Current Liabilities</b>		<b><u>(3,054)</u></b>	<b><u>(3,014)</u></b>
<b>Total Assets less Current Liabilities</b>		<b>13,901</b>	<b>12,809</b>
<b>Provision for Liabilities</b>			
Deferred Taxation	13	(1,658)	(897)
Post-employment Benefits	15	(247)	(958)
		<u>          </u>	<u>          </u>
<b>NET ASSETS</b>		<b><u>11,996</u></b>	<b><u>10,954</u></b>
<b>FUNDS</b>			
Accumulated Fund		6,686	5,092
Leasehold Revaluation Reserve		<u>5,310</u>	<u>5,862</u>
		<b><u>11,996</u></b>	<b><u>10,954</u></b>

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 28 April 2022 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 2021**

	Accumulated Fund	Leasehold Revaluation Reserve	TOTAL
	£000's	£000's	£000's
Balance at 1 December 2019	<b>4,640</b>	<b>5,604</b>	<b>10,244</b>
Surplus for Year (as restated)	<u>1,020</u> 5,660	<u>-</u> 5,604	<u>1,020</u> 11,264
Actuarial Loss on Pension Fund	(914)	-	(914)
Release of Leasehold Property Reserve	43	(43)	-
Unrealised Gain on Investments	(20)	-	(20)
Realised Gain on Investments	455	-	455
Deferred Tax on Investments	(132)	-	(132)
Deferred Tax on Leasehold Property	<u>-</u>	<u>301</u>	<u>301</u>
<b>Balance at 30 November 2020</b>	<b><u>5,092</u></b>	<b><u>5,862</u></b>	<b><u>10,954</u></b>
<b>At 1 December 2020 (as previously stated)</b>	<b>4,863</b>	<b>5,862</b>	<b>10,725</b>
<b>Prior Year Adjustment</b>	<b>229</b>	<b>-</b>	<b>229</b>
Balance at 1 December 2020 (as restated)	<b>5,092</b>	<b>5,862</b>	<b>10,954</b>
Surplus for Year	<u>158</u> 5,250	<u>-</u> 5,862	<u>158</u> 11,112
Actuarial Gain on Pension Fund	799	-	799
Gain on Leasehold revaluation	-	245	245
Unrealised Gain on Investments	697	-	697
Realised Gain on Investments	(96)	-	(96)
Deferred Tax on Investments	(188)	-	(188)
Deferred Tax on Leasehold Property	-	(573)	(573)
Release of Leasehold Property Reserve	<u>224</u>	<u>(224)</u>	<u>-</u>
<b>Balance at 30 November 2021</b>	<b><u>6,686</u></b>	<b><u>5,310</u></b>	<b><u>11,996</u></b>

**STATEMENT OF CASH FLOWS**

<b>Year ended 30 November 2021</b>	<b>2021</b>	<b>2020</b>
	<b>£000's</b>	<b>Restated £000's</b>
<b>Net Cash from Operating Activities</b>	<b>61</b>	<b>524</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Tangible Assets	(47)	(97)
Transfer to Investments	(350)	(350)
Interest Received	<u>-</u>	<u>2</u>
<b>Net Cash Used in Investing Activities</b>	<b><u>(397)</u></b>	<b><u>(445)</u></b>
<b>Net (Decrease)/Increase in Cash &amp; Cash Equivalents</b>	<b>(336)</b>	<b>79</b>
<b>Cash &amp; Cash Equivalents at 1 December</b>	<b><u>1,523</u></b>	<b><u>1,444</u></b>
<b>CASH &amp; CASH EQUIVALENTS AT 30 NOVEMBER</b>	<b><u>1,187</u></b>	<b><u>1,523</u></b>
<b>Reconciliation of Profit for the Financial Year to Net Cash from Operating Activities:</b>		
Surplus for the year	158	1,020
Adjustments for:		
Taxation charge	74	13
Tax paid	(43)	(51)
Pension Scheme service costs	74	72
Depreciation	162	207
Investment manager fees	46	16
Interest Receivable & Investment Income	(96)	(69)
Interest Paid	14	-
(Decrease)/Increase in Debtors	(282)	70
Increase/(Decrease) in Trade Creditors	34	(157)
Increase/(Decrease) in Accruals & Deferred Income	1	(593)
Decrease in Subscriptions Received in Advance	(102)	(2)
Tax and social security	21	(2)
<b>Net Cash Inflow from Operating Activities</b>	<b><u>61</u></b>	<b><u>524</u></b>

**Analysis of Net Cash/(Debt)**

	<b>At 1 Dec 2020</b>	<b>Cash flows</b>	<b>At 30 November 2021</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Cash at bank	<u>1,523</u>	<u>(336)</u>	<u>1,187</u>



## 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 continued impact of the COVID-19 pandemic. 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. During the year, there has been a change of accounting policy where previously the non-renewal of subscriptions had been accounted for as an expense. The change in policy now reflects that the non-renewals are shown as a reduction in income. The 2020 numbers shown in these accounts have been restated to reflect the change. The effect of which is shown in note 17.

**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. Short Term Benefits – including holiday pay are recognised as an expense in the period which the service is received.

ii. Defined Contribution Pension Scheme – 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. Defined Benefits Pension Scheme – 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:

<b>Leasehold property</b>	<b>- period of lease</b>
<b>Plant &amp; machinery</b>	<b>- 10 to 15 years</b>
<b>Office equipment</b>	<b>- 3 to 5 years</b>
<b>Computer Software</b>	<b>- 3 to 10 years</b>
<b>Computer equipment</b>	<b>- 3 to 4 years</b>
<b>Furniture and fittings</b>	<b>- 3 to 10 years</b>

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 15 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

Other Income relates to government grant received for staff who were furloughed during the COVID 19 lockdown.

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 Profit

	2021 £000's	2020 £000's
Operating Profit is stated after charging:		
Audit Fees payable to the company's auditors	20	19
Other fees payable to the auditors - Tax	<u>2</u>	<u>2</u>

#### 7. Employees and Directors

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

	2021 £000's	2020 £000's
Wages and salaries	4,883	4,529
Social security costs	514	487
Pension costs	439	444
Redundancy costs	<u>51</u>	<u>73</u>
	<u>5,887</u>	<u>5,533</u>

The average number of staff employed by the company during the year was 103 (2020: 110)

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

	<b>2021</b> £000's	<b>2020</b> £000's
Emoluments in respect of qualifying services	<u>846</u>	<u>852</u>
Pension contributions to money purchase schemes	<u>63</u>	<u>64</u>

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

Highest paid Director:

Emoluments in respect of qualifying service	<u>138</u>	<u>138</u>
Pension contributions to money purchase scheme	<u>14</u>	<u>14</u>

**8. Interest Receivable & similar income**

	<b>2021</b> £000's	<b>2020</b> £000's
Investment Income from stocks & deposits	96	67
Bank Interest	<u>-</u>	<u>2</u>
	<u>96</u>	<u>69</u>

**9. Taxation**

	<b>2021</b> £000's	<b>Restated</b> <b>2020</b> £000's
Profit on ordinary activities before tax	232	1,033
UK Corporation Tax at 19% (2021: 19%)	44	196
Effects of:		
Expenses not deductible for tax purposes	1,629	1,526
Income not taxable for tax purposes	(1,628)	(1,728)
Adjustment to previous years	<u>29</u>	<u>19</u>
	<u>74</u>	<u>13</u>

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% (2020: 19%)

**10. Tangible Fixed Assets**

	<b>Long Leasehold</b>	<b>Other Assets</b>	<b>Total</b>
	£000's	£000's	£000's
<b>Cost:</b>			
At 1 December 2020	9,000	643	9,643
Additions	<u>-</u>	<u>47</u>	<u>47</u>
As at 30 November 2021	<u>9,000</u>	<u>690</u>	<u>9,690</u>
<b>Depreciation:</b>			
At 1 December 2020	164	226	390
Leasehold Revaluation	(245)	-	(245)
Charge for the year	<u>81</u>	<u>81</u>	<u>162</u>
As at 30 November 2021	<u>-</u>	<u>307</u>	<u>307</u>
<b>Net Book Value 2021</b>	<b>9,000</b>	<b>383</b>	<b>9,384</b>
Net Book Value 2020	<u>8,836</u>	<u>417</u>	<u>9,253</u>

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. A Deferred Tax charge of £1,286k (2020: £711k) 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**

	<b>Quoted Investments</b>	<b>Deposits</b>	<b>Total 2021</b>	<b>Total 2020</b>
	£000's	£000's	£000's	£000's
<b>Valuation:</b>				
At 1 December 2020	6,449	121	6,570	5,734
Additions at cost	1,308	500	1,808	2,592
Disposals	(1,053)	(355)	(1,408)	(2,191)
Increase in Value	<u>601</u>	<u>-</u>	<u>601</u>	<u>435</u>
<b>At 30 November 2021</b>	<b><u>7,305</u></b>	<b><u>266</u></b>	<b><u>7,571</u></b>	<b><u>6,570</u></b>

A Deferred Tax charge of £188k (2020: £186k) has been applied as a further liability on the Unrealised Gain of their market value at 30 November 2021.

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**

	<b>2021</b>	<b>2020</b>
	£000's	£000's
Trade Debtors	247	158
Prepayments	169	137
Other Debtors	9	10
Accrued Income	<u>267</u>	<u>105</u>
	<b><u>692</u></b>	<b><u>410</u></b>

**13. Deferred Tax**

	<b>2021</b>	<b>2020</b>
	£000's	£000's
Balance as at 30 November 2020	897	1,066
Movement on Unrealised Gains on Leasehold Property	573	(301)
Movement on Unrealised Gains on Investments	<u>188</u>	<u>132</u>
<b>As at 30 November 2021</b>	<b><u>1,658</u></b>	<b><u>897</u></b>

**14. Financial Instruments**

The company has the following financial instruments:

	<b>2021</b>	<b>2020</b>
	£000's	£000's
<u>Financial assets measured at fair value</u>		
Investments	<u>7,571</u>	<u>6,570</u>
<u>Financial assets that are debt instruments measured at amortised cost</u>		
Trade Debtors	247	158
Accrued Income	267	105
Other Debtors	9	10
Cash at Bank	<u>1,187</u>	<u>1,523</u>
<u>Financial liabilities measured at amortised cost</u>		
Trade Creditors	(495)	(461)
Accruals	<u>(441)</u>	<u>(361)</u>

**15. 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 £439k (2020: £444k) to the Defined Contribution Pension Scheme on behalf of its employees. The company expects to make contributions of £450k to the scheme during the year to 30 November 2022.

In addition to the Defined Contribution Scheme, the company made contributions of £3.7k (2020: £3.5k) 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 incurred no costs (2020: £nil) towards the Scheme's administration, as these costs are paid by the Scheme.

A qualified independent actuary carried out calculations as of 30 November 2021 to obtain the amounts reported under FRS102.

**Balance Sheet & Notes:**

The major assumptions for FRS102 purposes were:

	<b>2021</b>	<b>2020</b>
Rate of increase in salaries	nil%	nil%
Rate of increase to pensions	3.50%	2.95%
Revaluation in deferment	3.10%	2.35%
Discount Rate	1.65%	1.50%
Inflation (RPI)	3.65%	3.00%
Inflation (CPI)	3.10%	2.35%
Mortality Assumption	100% of S3PA with CMI_2020[1%]	100% of S3PA with CMI_2019[1%]

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

Male currently aged 45	22.7	22.8
Male currently aged 65	21.8	21.7
Female currently aged 45	25.3	25.2
Female currently aged 65	24.1	24.0

	<b>2021</b>	<b>2020</b>
	£000's	£000's
<u>Reconciliation of present value Scheme Liabilities</u>		
Opening Defined Benefit obligation	25,885	24,474
Interest Cost	380	479
Actuarial gain	1,740	1,994
Benefits paid	<u>(1,045)</u>	<u>(1,062)</u>
<b>Closing Defined Benefit obligation</b>	<b><u>26,960</u></b>	<b><u>25,885</u></b>

	<b>2021</b>	<b>2020</b>
	£000's	£000's
<b><u>Reconciliation of present value Scheme Assets</u></b>		
Opening fair value of Scheme assets	24,927	24,502
Expected return on assets	366	479
Expenses	(74)	(72)
Benefits paid	(1,045)	(1,062)
Actuarial gain on assets	<u>2,539</u>	<u>1,080</u>
<b>Closing fair value of Scheme assets</b>	<b><u>26,713</u></b>	<b><u>24,927</u></b>
<b>Deficit</b>	<b><u>(247)</u></b>	<b><u>(958)</u></b>

<b><u>Amounts Recognised in the Statement of Comprehensive Income</u></b>		
	<b>2021</b>	<b>2020</b>
	£000's	£000's
Interest cost	(380)	(479)
Expected return on assets	380	479
Expenses paid	<u>(74)</u>	<u>(72)</u>
	<b><u>(88)</u></b>	<b><u>(72)</u></b>

**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:

<b><u>Asset Class:</u></b>	<b>2021</b>	<b>2020</b>
	Proportion held	Proportion held
Growth	39%	40%
Cash	2%	2%
Liability Driven Investments (LDI)	55%	54%
Insured	4%	4%
<b>Overall</b>	<b>100%</b>	<b>100%</b>

The actual return on the Scheme's assets over the year was (12.1%), as calculated by the Scheme Actuary.

**16. 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 2021, an amount of £2,855 (2020 - £5,685) was owed to CLA Charitable Trust.

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

**17. Prior Year Adjustment**

A review as to how the non-renewal of member subscriptions had previously been accounted for, highlighted that these had been shown as an expense as opposed to a reduction in subscription income. As a result, management have changed the way in which they account for non-renewal of memberships and this represents a change in accounting policy. In the past non-renewal of subscriptions have gone through as an expense (bad debt), whereas under the new accounting policy this is being shown as a credit note within revenue. The 2020 figures shown in the accounts have been restated to reflect the change in accounting policy.

The effect of the correction to the 2020 Accounts is;

	<b>£000's</b>
Reduction in Subscription Income	(305)
Reduction in Member & other services Expenditure	534
	<u>229</u>
Increase in Operating Surplus	<u>229</u>
Reduction in Subscriptions Received in Advance	<u>229</u>
Increase in Accumulated Funds	<u>229</u>
Reserves (previously stated )	4,863
Prior year Adjustment	<u>229</u>
Reserves (as restated)	<u>5,092</u>
2020 Profit (previously stated)	791
Prior year adjustment	<u>229</u>
2020 Profit (restated)	<u>1,020</u>

