

COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

ANNUAL ACCOUNTS

30 NOVEMBER 2014

COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

COMPANY INFORMATION

Directors

R M G Ashby
T Breitmeyer (Vice President)
M C Fetherston-Dilke
J G R Homfray
D S D Lodder
R C H Morgan-Giles
M R Murray (Deputy President)
H C W Robinson (President)
M J Scott (Chairman of Audit and Risk Committee)
R Sears
H L Woolley (Director General)

Secretary Y Firat

Company number 06131587

Registered office 16 Belgrave Square
London
SW1X 8PQ

Auditors Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

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COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

REPORT OF THE AUDIT AND RISK COMMITTEE FOR THE YEAR ENDED 30 NOVEMBER 2014

The Audit and Risk Committee is required to report annually on its role and responsibilities and the action it has taken to discharge those responsibilities.

The Committee met twice during the year. Reviews have taken place of all risk assessments, health and safety and emergency planning documentation, including those relating to the Game Fair. The accounting package in use has been reviewed and the potential for improvement in systems examined. The company's insurance arrangements have been reviewed as have the financial policies.

Liaison with the external auditors has taken place both at the planning and final stages of the audit.

The result of the 2014 Game Fair held at Blenheim was disappointing in financial terms. The Audit and Risk Committee have been involved in the detailed analysis of the result and will be reviewing plans for the 2015 Game Fair at Harewood with a view to minimise risk.

A surplus after tax of £252k (2013 - £594k) is reported for the year. The net assets of the company stand at £5,381k as at 30 November 2014 (2013 - £3,770k). The company had net current liabilities of £3,165k as at 30 November 2014 (2013 - £2,941k). However this includes £4,057k (2013 - £3,932k) of subscriptions in advance which if excluded would result in the company being in a net current asset position. The company has adequate resources to meet its working capital requirements as subscriptions are non-refundable.

The lease of 16 Belgrave Square, which has 111 years to run, has been independently valued at 30 November 2014 at £6,700k (2013 - £5,500k).

The Financial Reporting Standard 17 calculation of the final salary pension scheme has produced a reduction in the liability from the previous year of £142k to £2,643k (2013 - £2,785k). The scheme was closed for future accrual with effect from March 2010.

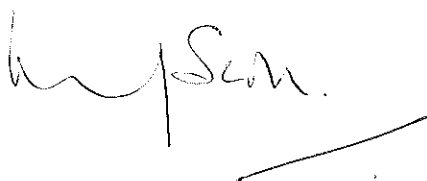
The value of investments and deposits increased by £521k in the year to £4,235k; three managers are responsible for the management of these funds.

A satisfactory result has been achieved in the year despite a difficult Game Fair. The policy of building reserves continues to be an objective of the company.

Officers and Members give generously of their time and experience and combined with our staff ensure the company continues to be well managed.

Michael J Scott
Chairman
Audit and Risk Committee

20th May 2015



COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2014

The directors present their report and financial statements for the year ended 30 November 2014.

Principal activities and review of the business

The company was incorporated on 28 February 2007 to acquire the business, assets and liabilities of Country Land & Business Association, an unincorporated body, with effect from 31 March 2007.

The objects of the company are to:

- succeed to and carry on the mutual and other business carried on by the Country Land and Business Association immediately prior to the transfer of its business to the company, of promoting and safeguarding the legitimate interests of the association of owners of agricultural and other rural land, principally in the promotion of agriculture and horticulture, the breeding of livestock, and forestry;
- safeguard and invest the assets transferred to it representing the surplus funds formerly held by the association, and any other surplus assets, and to secure an appropriate return on those assets and apply the same in fulfilment of the objects set out below;
- be an incorporated association of owners of agricultural and other rural land formed to promote and safeguard their legitimate interest so far as is consistent with the interest of the nation; and
- safeguard and develop the capital invested in the ownership of agricultural and other rural land and to secure an appropriate return from these assets.

The report of the Audit and Risk Committee on page 3 includes a review of the business.

Directors

The following directors have held office since 1 December 2013:

R M G Ashby
S A M C Beckett (resigned 18 November 2014)
T Breitmeyer
M C Fetherston-Dilke
J G R Homfray (appointed 23 April 2014)
D S D Lodder
R C H Morgan-Giles
M R Murray
H C W Robinson
M J Scott
R Sears
H L Woolley

The company is limited by guarantee and as such has no issued share capital. The liability of each member in the event of winding up is limited to £1. The total liability of members is limited to £33k at 30 November 2014.

Auditors

A resolution proposing that Saffery Champness be re-appointed as auditors will be put to the Annual General Meeting.

COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2014

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

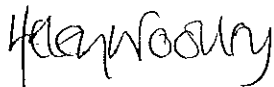
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period. In preparing those 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 each of the directors is aware, there is no relevant information that has not been disclosed to the company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

On behalf of the board



HL Woolley
Director General

26 May 2015

COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2014

The directors present their strategic report for Country Land and Business Association Limited (the company) for the year ended 30 November 2014.

A fair review of the company's operations

The company continued membership recruitment, supporting its members through advisory services and policy work, representing members' interest in the public policy arena and holding the Game Fair at Blenheim Palace in Oxfordshire.

Principal risks and uncertainties facing the company

The primary risk facing the company is the Game Fair. The Game Fair requires careful cost control and strong revenue generation. The success of the event is affected by a number of factors, location and weather in particular, the latter having a potentially significant effect on the financial outcome. The company has adequate abandonment insurance in place to mitigate this risk in the event of cancellation due to adverse weather or communicable diseases.

CLA Insurance continues to provide a valuable income stream for the company.

Membership income is the key revenue stream. Membership numbers and acreage determine subscription income; new membership sales and retention of members were strong throughout the year. Membership lapse rates were contained well within budgeted levels in 2014 with net membership income increasing by 4.04% in the year.

Review and analysis of the business during the year

The company continued its principal activities throughout the current year.

Key performance indicators

Management uses a range of performance measures to monitor and manage the business, split into financial and non-financial key performance indicators:

Analysis using key financial performance indicators;

- Net operating surplus for the year, which is £203k (2013 – £537k)
- Net surplus for the year after taxation, £252k (2013 – £594k)
- Total reserves; £5,381k (2013 - £3,770k)
- Liquid assets; £5,121k (2013 - £4,895k)
- Increase in subscription income; from £8,381k to £8,720k, 4.04% increase

Non-financial key performance indicators;

- Membership income lapse rates

Development and financial performance during the year

The company returned a net surplus for the year after taxation of £252k.

Financial position at the reporting date

Net assets at the year-end have increased from £3,770k at 30 November 2013 to £5,381k at 30 November 2014.

On behalf of the board


H L Woolley

Director General

26 May 2015

COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 30 NOVEMBER 2014

We have audited the company's financial statements on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us on the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the company as at 30 November 2014 and of its result for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

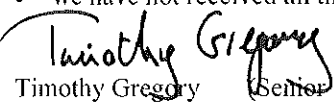
Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


Timothy Gregory (Senior Statutory Auditor)
For and on behalf of

Saffery Champness
Chartered Accountants
Statutory Auditors
London

22 June 2015

COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 NOVEMBER 2014**

| | Note | 2014 £'000s | 2013 £'000s |
|--|------|----------------|----------------|
| Income | | | |
| Subscription income | | 8,720 | 8,381 |
| Game Fair income | | 3,900 | 3,875 |
| Sundry income | 2 | 1,463 | 1,281 |
| | | 14,083 | 13,537 |
| Expenditure | | | |
| Membership services and other expenditure | | (9,604) | (8,897) |
| Game Fair expenditure | | (4,276) | (4,103) |
| | | (13,880) | (13,000) |
| Operating surplus for the year | | 203 | 537 |
| Interest and similar income | 3 | 56 | 108 |
| Surplus on disposal of investments | | 29 | 19 |
| Surplus for the year before tax | 4 | 288 | 664 |
| Taxation | 5 | (36) | (70) |
| Net surplus for the year after taxation | | 252 | 594 |
| OTHER RECOGNISED GAINS AND LOSSES | | | |
| Increase arising from revaluation of lease | 6 | 1,200 | - |
| Increase in market value of investments | 7 | 247 | 246 |
| Actuarial loss on pension fund | 12 | (88) | (473) |
| Net movement in funds | | 1,611 | 367 |
| Funds brought forward | | 3,770 | 3,403 |
| Funds carried forward | 13 | 5,381 | 3,770 |
| NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS | | | |
| Total gains for the year | | 1,611 | 367 |
| Actuarial loss on the pension fund | | 88 | 473 |
| Unrealised revaluation gain on lease | | (1,200) | - |
| Unrealised losses brought forward on investments now realised | | 23 | 26 |
| Unrealised surplus on revaluation of Investments | | (247) | (246) |
| Historical cost surplus for the year | | 275 | 620 |

The notes on pages 11 to 18 form part of these accounts.

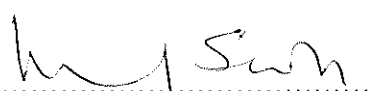
COUNTRY LAND & BUSINESS ASSOCIATION LIMITED


BALANCE SHEET
AT 30 NOVEMBER 2014

| | Note | 2014 | | 2013 | |
|--|------|--------|---------|--------|---------|
| | | £'000s | £'000s | £'000s | £'000s |
| Fixed assets | | | | | |
| Tangible fixed assets | 6 | | 6,954 | | 5,782 |
| Investments and deposits | 7 | | 4,235 | | 3,714 |
| | | | 11,189 | | 9,496 |
| Current assets | | | | | |
| Debtors and prepayments | 8 | 1,106 | | 923 | |
| Cash at bank and in hand | | 886 | | 1,181 | |
| | | 1,992 | | 2,104 | |
| Creditors due within one year | | | | | |
| Subscriptions received in advance | | 4,057 | | 3,932 | |
| Trade creditors | | 166 | | 386 | |
| Tax and social security | 9 | 216 | | 286 | |
| Accruals and deferred income | | 718 | | 441 | |
| | | 5,157 | | 5,045 | |
| Net current liabilities | | | (3,165) | | (2,941) |
| Total assets less current liabilities | | | 8,024 | | 6,555 |
| Net pension liability | 12 | | (2,643) | | (2,785) |
| Net assets | | | 5,381 | | 3,770 |
| Reserves | | | | | |
| General reserve and working fund | 13 | | (142) | | (329) |
| Investment revaluation reserve | 13 | | 748 | | 524 |
| Lease revaluation reserve | 13 | | 4,775 | | 3,575 |
| | | | 5,381 | | 3,770 |

The notes on pages 11 to 18 form part of these accounts.

Signed on 20th May 2015 on behalf of the Board of Directors


.....
M J Scott
Director


.....
H C W Robinson
Director

Company registration No. 06131587

COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2014**

| | 2014 | 2013 |
|--|--------|--------|
| | £'000s | £'000s |
| Net cash flow from operating activities | 73 | 948 |
| Returns on investments and servicing of finance | | |
| Investment income | 36 | 54 |
| Interest received | - | 8 |
| Net cash inflow from returns on investments and servicing of finance | 36 | 62 |
| Taxation paid | (47) | (85) |
| Capital income/(expenditure) | | |
| Payments to acquire tangible fixed assets | (130) | (85) |
| Receipts from sale of tangible fixed assets | 17 | 29 |
| Receipts from sale of investments | 463 | 661 |
| Payments to acquire investments | (707) | (904) |
| Net cash flow for capital expenditure | (357) | (299) |
| (Decrease)/increase in cash in the year | (295) | 626 |
| Bank balance brought forward | 1,181 | 555 |
| Bank balance carried forward | 886 | 1,181 |
| Reconciliation of operating result to net cash flow from operating activities | | |
| Operating surplus | 203 | 537 |
| Depreciation charges | 156 | 171 |
| Profit on sale of tangible fixed Assets | (15) | (14) |
| (Increase)/decrease in debtors | (192) | 449 |
| (Decrease) in creditors and subscriptions in advance | (79) | (195) |
| Net cash flow from operating activities | 73 | 948 |

COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2014

1. PRINCIPAL ACCOUNTING POLICIES

1.1 Basis of financial statements

The financial statements have been prepared under the historical cost accounting convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards (United Kingdom Generally Accepted Accounting Practice).

Merger accounting has been adopted to reflect the agreement under which the company acquired the business, assets and liabilities of Country Land & Business Association, an unincorporated entity, on 31 March 2007. The members of the unincorporated entity became the members of the company as a result of that agreement. Under this method of accounting for the arrangement, the company is treated as if it had always been the entity operating the business.

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 section 402 of the Companies Act 2006 not to prepare group financial statements.

1.2 Subscription income

Subscription income is accounted for on an accruals basis and the element of subscriptions received which relates to the subsequent financial year is treated as being prepaid and is shown in the balance sheet as subscriptions in advance.

1.3 Game Fair income

Game Fair income represents the income receivable from the event held in the accounting period. The comparative figures for Game Fair expenditure and Membership services and other expenditure have been restated to ensure a fairer presentation of the affairs of the company.

1.4 Investment income

Interest on fixed interest stocks and deposit interest is dealt with on an accruals basis. Dividends are recognised when receivable.

1.5 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 differences 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 in which they are recognised in the financial statements.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2014

1 PRINCIPAL ACCOUNTING POLICIES continued

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. Long term leasehold premises (leases of more than 50 years duration remaining) are not depreciated, instead a market value of the lease is reflected in the fixed assets with a lease revaluation reserve equivalent to the change in market value shown under reserves. Depreciation is provided on fixed assets at rates estimated to write off cost or valuation less estimated residual value over the estimated useful life of the assets as follows:

| | |
|---|---|
| Short term leasehold premises (50 years or less remaining) | - period of the lease |
| Motor vehicles | - 25% on cost |
| Office equipment | - 20% on cost |
| Computer equipment including software | - 33 $\frac{1}{3}$ % on cost |
| Furniture and fittings | - 10% on written down value or 33 $\frac{1}{3}$ % on cost |

1.7 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 income and expenditure account.

1.8 Retirement benefits

Under the defined benefit pension scheme, pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of liabilities within the defined benefit pension scheme expected to arise in the period are charged to income and expenditure.

The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the statement of financial activities. Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

The company makes a cash contribution based on a percentage of earnings to the defined contributions scheme and this is charged to income and expenditure when due.

2 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.

3 INTEREST AND SIMILAR INCOME

| | 2014 £'000s | 2013 £'000s |
|---|----------------|----------------|
| Finance income on pension scheme assets and liabilities | 29 | 46 |
| Income from stocks and deposits | 27 | 62 |
| | <u>56</u> | <u>108</u> |

COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2014

| | | | |
|---|--|---------------|---------------|
| 4 | SURPLUS FOR THE YEAR | 2014 | 2013 |
| | | £'000s | £'000s |
| | This is stated after charging: | | |
| | Depreciation | 156 | 171 |
| | Auditors' remuneration for auditing the accounts | 23 | 24 |
| | Auditors' remuneration for others services – taxation | 39 | - |
| | and after crediting: | | |
| | Profit on disposal of tangible assets | 15 | 14 |
| | | <u>15</u> | <u>14</u> |
| 5 | TAXATION | 2014 | 2013 |
| | | £'000s | £'000s |
| | Current taxation | | |
| | UK corporation tax at 21% (2013 – 23%) on income from external sources and capital gains | | |
| | Current year | 75 | 85 |
| | Adjustment re prior year | (39) | (15) |
| | | <u>36</u> | <u>70</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 21% (2013 – 23%).

| | | | | | |
|---|------------------------------|---------------------------|------------------------|---------------------|---------------|
| 6 | TANGIBLE FIXED ASSETS | | | | |
| | | Long leasehold | Short leasehold | Other assets | Total |
| | | 16 Belgrave Square | improvements | £'000s | £'000s |
| | | £'000s | £'000s | | |
| | Cost or valuation | | | | |
| | At 1 December 2013 | 5,500 | 22 | 2,146 | 7,668 |
| | Additions | - | - | 130 | 130 |
| | Disposals | - | - | (49) | (49) |
| | Revaluation | 1,200 | - | - | 1,200 |
| | | <u>6,700</u> | <u>22</u> | <u>2,227</u> | <u>8,949</u> |
| | Depreciation | | | | |
| | At 1 December 2013 | - | 22 | 1,864 | 1,886 |
| | Charge for year | - | - | 156 | 156 |
| | On disposals | - | - | (47) | (47) |
| | Revaluation | - | - | - | - |
| | | <u>-</u> | <u>22</u> | <u>1,973</u> | <u>1,995</u> |
| | Net book value | | | | |
| | 30 November 2014 | <u>6,700</u> | <u>-</u> | <u>254</u> | <u>6,954</u> |
| | 30 November 2013 | <u>5,500</u> | <u>-</u> | <u>282</u> | <u>5,782</u> |

COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2014**

6 TANGIBLE FIXED ASSETS Continued

The long leasehold on 16 Belgrave Square was acquired by the company in 2001 and is for a term of 125 years. The last full valuation was carried out as at 30 November 2014 by Deloitte LLP (trading as Deloitte Real Estate) on an open market value basis. The potential corporation tax liability if the lease was disposed of at its revalued amount is estimated to be £800,000.

On an historical cost basis, the net book value of fixed assets at 30 November 2014 would have been approximately £2,180,000 and the depreciation charge for the year would have been approximately £175,000.

7 INVESTMENTS AND DEPOSITS

| | Investments £'000s | Deposits £'000s | Total 2014 £'000s | Total 2013 £'000s |
|----------------------------|-----------------------|--------------------|-------------------------|-------------------------|
| Valuation | | | | |
| At 1 December 2013 | 2,922 | 792 | 3,714 | 3,205 |
| Additions at cost | 627 | 79 | 706 | 904 |
| Disposals | (423) | (9) | (432) | (641) |
| Increase in market value | 247 | - | 247 | 246 |
| At 30 November 2014 | 3,373 | 862 | 4,235 | 3,714 |

The potential corporation tax liability if the investments were disposed of at their market values at 30 November 2014 is estimated to be £130,000 (2013: £108,254). The historical cost of investments at 30 November 2014 is £2,623,501. Included above is an investment of £1 in CLA Insurance Services Limited, a subsidiary company. The company holds 100% of the ordinary shares in CLA Insurance Services Limited. The subsidiary was incorporated in England and Wales and was dormant in the year. The profit and loss of the subsidiary for the relevant financial year was £nil and the capital and reserves was £1.

8 DEBTORS AND PREPAYMENTS

| | 2014 £'000s | 2013 £'000s |
|------------------------------|----------------|----------------|
| Membership and trade debtors | 317 | 211 |
| Prepayments | 354 | 441 |
| Other debtors | 186 | 111 |
| Accrued income | 249 | 160 |
| | 1,106 | 923 |

9 TAXES AND SOCIAL SECURITY

| | 2014 £'000s | 2013 £'000s |
|---------------------------------|----------------|----------------|
| Corporation tax | 75 | 85 |
| Other taxes and social security | 141 | 155 |
| VAT | - | 46 |
| | 216 | 286 |

COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2014

| 10 STAFF COSTS | 2014 £'000s | 2013 £'000s |
|-----------------------|----------------|----------------|
| Wages and salaries | 4,578 | 4,485 |
| Social security costs | 544 | 567 |
| Pension costs | 427 | 454 |
| | <hr/> 5,549 | <hr/> 5,506 |

The average number of staff employed by the company during the year was 126 (2013: 130).

| 11 DIRECTORS' REMUNERATION | 2014 £'000s | 2013 £'000s |
|--|----------------|----------------|
| Emoluments in respect of qualifying services | 429 | 414 |
| Pension contributions to money purchase pension scheme | 23 | 22 |
| Retirement benefits are accruing under money purchase pension schemes for 2 directors. | | |
| Highest paid director | | |
| Emoluments in respect of qualifying services | 148 | 144 |
| Pension contributions to money purchase pension scheme | 15 | 15 |

12 PENSIONS

12.1 Defined benefit scheme

The company operates a defined benefit pension scheme, which was established with effect from 1 April 1966 to provide retirement benefits for eligible employees. The scheme is closed to new members. In May 2009, the company decided that, in the best interests of the company, all employees and current pensioners, the scheme should be closed for future accrual. In March 2010, the company, with the agreement of the Trustees and affected employees, closed the defined benefit scheme for future accrual and replaced it with a defined contribution scheme for employees' future pension benefits.

The assets of the scheme are held separately from those of the company. Contributions are determined by a qualified actuary on the basis of triennial valuations. The most recent valuation was at 1 December 2011. The actuary recommended an annual payment of £195,336 beginning 01 December 2012 (for financial year to 30 November 2013), and increasing with CPI to 30 November 2031, to meet the deficit in the scheme.

Contributions by the company

The company made contributions of £201,000 for in-year deficit reduction plan as recommended by the actuary and incurred a further £60,394 towards the Scheme's administration, providing a total net cost of £261,394 for 2014 (2013: £291,000). The defined benefit scheme was closed at the beginning of March 2010 for future accruals.

COUNTRY LAND & BUSINESS ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2014**

12 PENSIONS continued

12.2 Valuation of defined benefit pension scheme

The value of the scheme's liabilities has been determined by a qualified actuary using the following assumptions:

| | 2014 | 2013 |
|---|---------------------------------------|-----------------------------------|
| Rate of increase in salaries | nil% | nil% |
| Rate of increase for pensions in payment and deferred pensions | 2.95/2.00% | 3.20/2.25% |
| Retail price inflation | 2.40% | 3.25% |
| Discount rate | 3.7% | 4.5% |
| Post-retirement mortality assumption | 100% S2PA with CMI_2014 [1%] | 120% PNA00 Medium cohort |
| Retirement age | 62 | 62 |
| Under the mortality tables and projections adopted, the assumed future life expectancy at age 65 is as follows: | | |
| Male currently aged 45 | 23.4 | 23.0 |
| Female currently aged 45 | 25.6 | 25.4 |
| Male currently aged 65 | 22.1 | 21.2 |
| Female currently aged 65 | 24.1 | 23.6 |

Amounts recognised in the balance sheet:

| | Expected long term return | 2014 £'000s | Expected long term return | 2013 £'000s |
|-------------------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|
| Growth assets/equities | 5.36% | 11,125 | 6.21% | 10,544 |
| Liability driven investments | 3.70% | 7,578 | 4.50% | 5,643 |
| Insured assets | 3.70% | 1,778 | 4.50% | 1,812 |
| Cash | 0.50% | 216 | 0.50% | 691 |
| Market value of assets | 3.70% | <u>20,697</u> | | <u>18,690</u> |
| Present value of funded obligations | | <u>(23,340)</u> | | <u>(21,475)</u> |
| Scheme deficit | | <u>(2,643)</u> | | <u>(2,785)</u> |

The expected return on assets is a weighted average of the assumed long-term returns for the various asset classes.

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**NOTES TO THE FINANCIAL STATEMENTS
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12 PENSIONS continued

| | 2014 | 2013 |
|---|---------------|---------------|
| | £'000s | £'000s |
| Amount charged to operating result: | | |
| Current service cost | - | - |
| Past service cost | - | - |
| Settlements & curtailments | - | - |
| Total operating charge | - | - |
| Amount included as other finance income/(charge): | | |
| Expected return on assets | 971 | 881 |
| Interest on scheme liabilities | (942) | (835) |
| Net income/(expenditure) | 29 | 46 |
| Other (losses)/gains recognised: | | |
| Actuarial (losses) | (88) | (473) |
| Other (losses) recognised – per page 8 | (88) | (473) |

Reconciliation of assets and defined benefit obligation

The change in assets over the period was:

| | 2014 | 2013 |
|--|---------------|---------------|
| | £'000s | £'000s |
| Fair value of assets at the beginning of the period | 18,690 | 17,757 |
| Expected return on assets | 971 | 881 |
| Total contributions | 201 | 291 |
| Benefits paid | (1,081) | (1,142) |
| Actuarial gain on assets only | 1,916 | 903 |
| Fair value of assets at the end of the period | 20,697 | 18,690 |

The change in defined benefit obligation over the period was:

| | | |
|--|---------------|---------------|
| Defined benefit obligation at the beginning of the period | 21,475 | 20,406 |
| Current service cost | - | - |
| Contributions by scheme participants | - | - |
| Past service cost | - | - |
| Interest cost | 942 | 835 |
| Benefits paid | (1,081) | (1,142) |
| Actuarial loss on defined benefit obligation | 2,004 | 1,376 |
| Defined benefit obligation at the end of the period | 23,340 | 21,475 |

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12 PENSIONS continued

| Summary of prior year amounts | 2014 £'000s | 2013 £'000s | 2012 £'000s | 2011 £'000s | 2010 £'000s |
|--|----------------|----------------|----------------|----------------|----------------|
| Present value of defined benefit obligation | 23,340 | 21,475 | 20,406 | 18,981 | 17,664 |
| Scheme assets | 20,697 | 18,690 | 17,757 | 16,874 | 16,213 |
| Scheme deficit | (2,643) | (2,785) | (2,649) | (2,107) | (1,451) |
| Difference between expected actuarial returns and actual returns on assets | 1,916 | 903 | 703 | 147 | (243) |
| Experience gain/(loss) on scheme liabilities | 42 | (319) | (500) | (416) | 457 |
| Total actuarial gain/(loss) | (88) | (473) | (807) | (931) | 747 |

The FRS17 liability value does not include any allowance for discretionary benefits.

12.3 Contributions to other pension schemes

The company made contributions of £395,102 (2013: £428,904) into the defined contribution scheme on behalf of its employees, during the year. The company expects to make contributions of £474,634 to the scheme during the year to 30 November 2015.

In addition to the defined contribution scheme, the company made contributions of £9,173 (2013: £9,012) towards the personal pension schemes of certain employees who are not members of the defined contribution scheme.

13 Reserves

| | General £'000s | Investment revaluation £'000s | Lease revaluation £'000s | Total £'000s |
|---|-------------------|-------------------------------------|--------------------------------|-----------------|
| At 1 December 2013 | (329) | 524 | 3,575 | 3,770 |
| Net surplus for the year | 252 | - | - | 252 |
| Unrealised loss on investments now realised on disposal | 23 | (23) | - | - |
| Pension fund actuarial loss | (88) | - | - | (88) |
| Increase in market value of fixed assets | - | 247 | 1,200 | 1,447 |
| At 30 November 2014 | (142) | 748 | 4,775 | 5,381 |