



Consolidated Financial Statements 2026

For the year ended 31st March 2026

Working together to shape
the future of farming and food



Consolidated Financial Statements
For the year ended 31st March 2026

**SCOTTISH AGRICULTURAL
ORGANISATION SOCIETY LIMITED**

(Registered under the Co-operative and Community Benefit Societies Act 2014)

Financial Statements

For the Year Ended 31st March 2026

Board of Directors at 31st March 2026

Rory Christie, Chairman * +
Andy McGowan, Vice Chairman * +
Tim Bailey, Chief Executive +
David Kilshaw, Senior Independent Director *
Tom Pate *
Murray Forsyth
Euan Warnock +
Marion MacCormick +
Robert Mitchell

Milk Suppliers Association
Scottish Pig Producers Ltd
SAOS Ltd
Independent
Independent
Aberdeen Grain
Oban Livestock Centre Ltd
Independent
Scottish Shellfish Marketing Group

* indicates membership of Audit and Risk Committee

+ indicates member of Remuneration and Nominations Committee

SAOS Council consists of the Board of Directors and the following members

Michael Bayne
Russell Brown
Graham Bruce
Richard Butterworth
Scott Calderwood
John Davidson
Teresa Dougall
Joe Hind
Patrick Hughes
Steven Macphail
Carol McLaren
Sarah Miller
Penny Montgomery
Angela Porchez
Jonny Williams

Borders Machinery Ring Ltd
Scottish Potato Co-op
Ringlink (Scotland) Ltd
Scotlean Pigs Ltd
First Milk
NFU Scotland
Scottish Quality Crops
Scotland Food & Drink
SAOS
Lewis Crofters
RSABI
QMS
SAYFC
Angus Growers
Farm Stock Scotland Ltd

Company Secretary

Robert Logan

Registered Office

Rural Centre
West Mains
Ingliston
Newbridge, EH28 8NZ

Bankers

Royal Bank of Scotland
Edinburgh Blenheim Place Branch
2 Blenheim Place
Edinburgh, EH7 5JH

Solicitors

Ledingham Chalmers Solicitors
Johnstone House
52-54 Rose Street
Aberdeen AB10 1HA

Auditors

Thomson Cooper Accountants
3 Castle Court
Dunfermline
Fife, KY11 8PB

Report of the Directors

Statement of Corporate Governance

SAOS is owned and governed by its members, which are agricultural and rural co-operatives and other businesses that have a co-operative or mutual purpose. The purpose of SAOS and a full list of members can be found in the pages of our Annual Report. Governance takes place via the Council and the Board of Directors. Council is the representative forum of members and invited key stakeholders; Scotland Food and Drink, NFU Scotland, Quality Meat Scotland, Lantra Scotland, RSABI, World Wildlife Fund Scotland and the Scottish Association of Young Farmers' Clubs. The Board of Directors carries the legal responsibilities for governing SAOS, and its members carry the responsibilities in law of directors.

Governance Charter

In 2005 the Members of SAOS adopted a Board and Council Charter which updated and improved governance practices. The Charter provides information on the composition, policies and practices of the Council and the Board of Directors, and defines their respective roles and responsibilities. Council members and directors are expected to comply with the provisions of the Charter. Overseeing compliance is the responsibility of the Chairman and Company Secretary. The Charter also details the roles of the Senior Independent Director and the Chief Executive and details the terms of reference and limits of authority of Board Committees including the Audit and Risk Committee and the Remuneration and Nominations Committee. The Charter stipulates and limits matters which are reserved to the Board. The Board and Council Charter is publicly available for reference at any time on our website at <http://www.saos.coop>.

Member Engagement

Encouraging and enabling the participation of members in the governance and work of SAOS is a priority. Reports that describe member engagement can be found throughout the "Our Impact" sections of the Annual Report.

Directors' Attendance and Other Interests

In 2025/26 the Board met on five occasions. Attendance records and other directorships are detailed below.

Notes on Directors' Attendance

Jane Mitchell retired from the Board in August 2025. Robert Mitchell was appointed to the Board in December 2025.

Directors' Fees

These were paid over the year at the following rates agreed by the AGM: Chairman: £32,000 (£24,000 in 2025). Vice Chairman: £8,000 (£8,000 in 2025). Directors: £300 per meeting attended (£300 in 2025), except the Chief Executive, who is a full-time employee. The Senior Independent Director was paid £9,000 (£9,000 in 2025) and the Independent Directors were paid £400 per meeting attended (£400 in 2025) as agreed by the Board.

Audit and Risk Committee

The Audit and Risk Committee met four times during the year.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee met three times during the year. Gail Ellis is an external HR consultant who attends and advises the Committee.

Names	Meetings Attended (max 5)	Audit & Risk Committee (max 4)	Remuneration and Nominations Committee (max 3)	Other relevant interests and directorships
Rory Christie (Chairman)	5	4	2	Other relevant interests and directorships can be viewed on the Scottish Mutuals Register at https://mutuals.fca.org.uk/Search/Society/16276 .
Tim Bailey	5	4	3	
Andy McGowan	3	3	3	
Jane Mitchell	2	-	1	
David Kilshaw	4	4	-	
Tom Pate	4	3	-	
Euan Warnock	5	-	1	
Marion MacCormick	5	-	2	
Murray Forsyth	5	-	-	
Robert Mitchell	2	-	-	

Report of the Directors

Strategy Review and Financial Budget

The Board receives in-depth verbal and written reports from staff members at its meetings through the year, and reviews the appropriateness of strategic objectives, current actions, and resources deployed with reference to identified development needs amongst members, in Scotland's food and drink industry, and in rural Scotland. The Board requires and, when satisfied, adopts a financial budget for each financial year against which progress is monitored through the year via monthly management accounts, audit committee meetings and reports, and in Board discussions.

A full five year strategy review was undertaken in 2025 and has been approved by the Board.

Key Risks: The Board identifies two key risks with the potential to disrupt delivery of strategic objectives; 1) high dependence on experienced key staff, and 2) the continuing availability of public sector funding to support the development of agricultural co-operatives and growth in the food and drink industry. The approved Strategy Review sets out agreed actions to address both of these issues.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations. Co-operative and Community Benefit legislation 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 legislation 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 Society and of the surplus or deficit of the Society 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Society will continue in business.

The directors are responsible for keeping proper accounting records which are sufficient to show and explain the Society's transactions, and disclose with reasonable accuracy, at any time, the financial position of the Society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies legislation and the terms of the Society's rules. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to Disclosure of Information to Auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Society's auditors are unaware, and each director has 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 Society's auditors are aware of that information.

Auditors

The auditors, Thomson Cooper, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Scottish Agricultural Organisation Society Limited

Independent Auditor's Report

For the year ended 31st March 2026

Opinion

We have audited the financial statements of Scottish Agricultural Organisation Society Limited (the 'Society') and its subsidiaries ('the Group') for the year ended 31 March 2026 which comprise the Group and parent Society income and expenditure account, the Group and parent Society balance sheet, the Group and parent statement of changes in equity, 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 Group's and the parent Society's affairs as at 31 March 2026 and of the Group's results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

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 Society 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 Society'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and parent company and their 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 Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the Society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the parent company's 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.

Scottish Agricultural Organisation Society Limited

Independent Auditor's Report

For the year ended 31st March 2026

Responsibilities of directors

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, 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 Society'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 Society 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We considered the opportunities and incentives that may exist within the Society for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of income, posting of unusual journals along with complex transactions and manipulating the Society's key performance indicators to meet targets. We discussed these risks with management, designed audit procedures to test the timing and existence of revenue, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the officers and other management (as required by the auditing standards).

We reviewed the laws and regulations in areas that directly affect the financial statements including financial and taxation legislation and Co-operative and Community Benefit Societies regulations recognising the regulated nature of the Society's activities. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

With the exception of any known or possible non-compliance with relevant and significant laws and regulations, and as required by the auditing standards, our work in respect of these was limited to enquiry of the officers and management of the Group.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

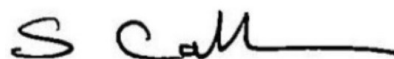
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Society's members, as a body, in accordance with section 87 of Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society'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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sharon Collins (Senior Statutory Auditor)
For and on behalf of Thomson Cooper, Statutory Auditors
Dunfermline
Date: 29 July 2026

Scottish Agricultural Organisation Society Limited

Income and Expenditure Account
For the year ended 31st March 2026

		Year to 31 March 2026		Year to 31 March 2025	
		Group	Society	Group	Society
	NOTE	£	£	£	£
INCOME					
Affiliation Fees		67,035	67,035	67,717	67,717
Consultancy & Other Grants		5,426,690	5,318,646	5,304,871	5,217,079
Assurance Services		2,190,301	-	2,137,755	-
Dividends		125	125	166	166
Interest received		3,717	3,717	2,012	2,012
Sponsorship		6,000	6,000	12,600	12,600
Other income		133,813	284,325	47,486	262,074
Total Income		7,827,681	5,679,848	7,572,607	5,561,648
EXPENDITURE					
Staff	3	3,478,178	2,371,034	3,277,379	2,078,815
Operational	4	3,318,331	2,949,626	3,232,958	3,150,411
Board and Council	5	112,647	61,058	127,624	64,358
Representation and					
Communication		60,972	60,972	59,527	59,527
Property		64,102	28,314	52,430	25,622
Administration		634,385	170,777	686,145	185,785
		7,668,615	5,641,781	7,436,063	5,564,518
NET INCOME/(EXPENDITURE)		159,065	38,067	136,544	(2,870)
Increase/(Decrease) in fair value of Investments		19,083	19,083	718	718
NET INCOME/(EXPENDITURE) BEFORE TAXATION	6	178,148	57,150	137,262	(2,152)
TAXATION	7	(26,376)	(17,131)	22,133	13,220
TRANSFER TO RESERVES		151,772	40,019	159,395	11,068

The Society had no recognised gains or losses other than the surplus for the two periods ended 31 March 2026.

All operations are continuing.

Balance Sheet

As at 31st March 2026

		<u>2026</u>		<u>2025</u>	
	NOTE	Group £	Society £	Group £	Society £
FIXED ASSETS					
Tangible assets	8	62,170	-	94,219	-
Intangible assets	9	68,320	-	-	-
Investment properties	10	269,692	-	269,692	-
INVESTMENTS	11	111,281	111,281	92,198	92,198
CURRENT ASSETS					
Stock		69,872	23,226	76,891	19,423
Debtors and prepayments	12	1,190,948	1,382,538	1,237,720	1,405,402
Cash at bank and in hand		490,316	392,686	238,361	164,602
		<u>1,751,136</u>	<u>1,798,450</u>	<u>1,552,972</u>	<u>1,589,427</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Creditors and accruals	13	<u>1,186,767</u>	<u>862,584</u>	<u>1,071,608</u>	<u>674,692</u>
NET CURRENT ASSETS		<u>564,369</u>	<u>935,866</u>	<u>481,364</u>	<u>914,735</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,075,832	1,047,147	937,473	1,006,933
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14	117,488	-	131,096	-
NET ASSETS		<u>958,344</u>	<u>1,047,147</u>	<u>806,377</u>	<u>1,006,933</u>
FINANCED AS FOLLOWS:					
Share Capital	16	1,935	1,935	1,740	1,740
Revenue Account		956,409	1,045,212	804,637	1,005,193
SHAREHOLDERS' FUNDS		<u>958,344</u>	<u>1,047,147</u>	<u>806,377</u>	<u>1,006,933</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on ..28 July 2026..... and were signed on its behalf by:

Rory Christie
CHAIRMAN

Andy McGowan
VICE CHAIRMAN

Robert Logan
COMPANY
SECRETARY





Statement of Changes in Equity

For the Year Ended 31st March 2026

	Called Up Share Capital		Revenue Account		Total Equity	
	Group £	Society £	Group £	Society £	Group £	Society £
Balance at 31st March 2024	1,465	1,465	645,242	994,125	646,707	995,590
Changes in Equity						
Issue of share capital	275	275	-	-	275	275
Shares cancelled	-	-	-	-	-	-
Total comprehensive income	-	-	159,395	11,068	159,395	11,068
Balance at 31st March 2025	1,740	1,740	804,637	1,005,193	806,377	1,006,933
Changes in Equity						
Issue of share capital	200	200	-	-	200	200
Shares cancelled	(5)	(5)	-	-	(5)	(5)
Total comprehensive income	-	-	151,772	40,019	151,772	40,019
Balance at 31st March 2026	1,935	1,935	956,409	1,045,212	958,344	1,047,147

Notes to the Financial Statements

For the Year Ended 31st March 2026

1. Statutory Information

Scottish Agricultural Organisation Society Limited is a registered Society, limited by shares, registered in Scotland. The Society's registered number is 325R(S) and registered office address is Rural Centre, West Mains, Ingliston, Newbridge, EH28 8NZ.

2. Accounting Policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Co-operative and Community Benefit Societies Act 2014. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £. The financial statements, other than investments, have been prepared under the historical cost convention.

Basis of Consolidation

The Group financial statements consolidate those of the Society and all of its subsidiary undertakings drawn up to 31 March 2026. Subsidiaries are all entities over which the Group has power over the subsidiary, i.e. Group control can exist when the parent has the power to exercise, or actually exercises, dominant influence or control over the undertaking or it and the undertaking are managed on a unified basis. These financial statements combine the results for SAOS Ltd and its wholly owned subsidiaries ScotEID.com Limited, SmartRural Operations Limited and Food Integrity Assurance Limited. Intra-group sales and profits are eliminated fully on consolidation.

Going Concern

The directors have considered the potential impact of the current economic climate on the business, and are satisfied that the Society has sufficient cash reserves to meet all financial obligations for a period of at least 12 months from the date of approval of the financial statements. Regular reports on trading and cashflows are received by the Board, providing details of our business development pipeline, and cash holdings. The accounts have therefore been prepared on the going concern basis.

Turnover

The Society provides consultancy services as well as receiving grants. Revenue is recognised in the accounting period in which the services are rendered when the outcome of the contract can be measured reliably. Stage of completion is based on the labour hours incurred to date as a percentage of total estimated labour for each

contract/comparing costs incurred to date to the total estimated contract costs/period of time for which services have been provided. Revenue is measured at the fair value of the transaction excluding discounts, rebates, value added tax and other sales taxes.

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost, less estimated residual value, of each asset over its estimated useful life:

Plant and Machinery - 20.0% annual write off
Computer Equipment - between 33.3% and 100.0% year one write off
Office Equipment - 25.0% annual write off

Intangible fixed assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software Development - between 20.0% and 33.3% annual write off

Investments

Investments comprise shares in unquoted companies and affiliated societies. The fair value of the investment in the Scottish Agricultural & Rural Development Centre Limited has been calculated on a net asset basis, discounted to reflect the minority shareholding held by SAOS Limited.

Changes in fair value are recognised in the Income and Expenditure Account.

Investment Properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is recognised at cost, which includes the purchase cost and any directly attributable expenditure.

Notes to the Financial Statements

For the Year Ended 31st March 2026

(continued)

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Subsidiaries

The Society's subsidiary undertakings are as follows:-

ScotEID.com Limited, a company registered in Scotland whose principal activity is that of working closely with the Scottish livestock sector and Scottish Government to design, develop and deliver solutions to ensure robust traceability and minimise legislative difficulties.

SmartRural Limited (Parent of SmartRural Operations Limited) is a dormant company registered in Scotland.

SmartRural Operations Limited, a company registered in Scotland whose principal activity is assisting farmers to capture and access data to help make better decisions and improve business returns.

Food Integrity Assurance Limited, a company registered in Scotland whose principal activity is the delivery of assurance services.

Food Integrity Assurance Limited is limited by shares and the other subsidiary companies are limited by guarantee, all with SAOS Ltd as the only member subscriber.

Financial assets

Basic financial assets, including trade and other debtors and bank balances, are initially recognised at transaction price. At the end of each reporting period financial assets measured at cost are assessed for evidence of impairment. Any impairment loss is recognised in the Income and Expenditure Account. Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled.

Financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are classed as current liabilities when payment is due within one year or less. If not they are presented as non-current liabilities. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income and Expenditure Account except to the extent that it relates to items recognised in other comprehensive income or directly in equity. Current or deferred taxation assets and liabilities are not discounted. Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The Society operates a defined contribution pension scheme. Contributions payable to the Society's pension scheme are charged to profit or loss in the period to which they relate.

Leases and contract hire

The costs of operating leases are charged to the revenue account in the period to which they relate.

Notes to the Financial Statements

For the Year Ended 31st March 2026
(continued)

3. Staff Costs

	<u>Year to 31 March 2026</u>		<u>Year to 31 March 2025</u>	
	Group	Society	Group	Society
	£	£	£	£
STAFF COSTS				
Salaries	3,163,699	2,129,917	3,024,448	1,883,927
Pensions	262,459	194,479	219,532	163,156
Group Life Cover	40,575	40,575	25,760	25,760
Training	11,445	6,063	7,639	5,972
Recruitment	-	-	-	-
	<u>3,478,178</u>	<u>2,371,034</u>	<u>3,277,379</u>	<u>2,078,815</u>
The average number of employees during the year was as follows:				
	<u>67</u>	<u>48</u>	<u>69</u>	<u>46</u>

4. Operational Expenses (Including travel and subsistence)

	Group	Society	Group	Society
	£	£	£	£
Staff expenses	133,034	77,257	129,595	82,790
Recoverable expenses	3,153,835	2,840,907	3,068,969	3,033,227
Sub-contract consultancy	31,462	31,462	34,394	34,394
	<u>3,318,331</u>	<u>2,949,626</u>	<u>3,232,958</u>	<u>3,150,411</u>

5. Board and Council

	Group	Society	Group	Society
	£	£	£	£
Fees to Chairman and Vice Chairman	40,791	40,791	28,667	28,667
Board Member Fees	69,289	17,700	95,458	32,192
Council	2,567	2,567	3,499	3,499
	<u>112,647</u>	<u>61,058</u>	<u>127,624</u>	<u>64,358</u>

6. Net income before Taxation

The net income before taxation is stated after charging:

	Group	Society	Group	Society
	£	£	£	£
Operating leases (rent of office)	42,710	15,888	41,535	14,279
Auditors' remuneration	20,917	6,679	19,819	6,521
Computer equipment including installation	13,024	13,024	7,498	7,498
Depreciation	42,176	-	65,391	-

Notes to the Financial Statements

For the Year Ended 31st March 2026
(continued)

7. Taxation

	<u>Year to 31 March 2026</u>		<u>Year to 31 March 2025</u>	
	Group	Society	Group	Society
	£	£	£	£
Corporation tax - current period	8,259	8,259	3,597	3,597
Corporation tax - prior period	-	-	14,000	14,000
Corporation tax - R&D Credits	18,117	8,872	(39,730)	(30,817)
	<u>26,376</u>	<u>17,131</u>	<u>(22,133)</u>	<u>(13,220)</u>

8. Tangible Assets

	Group				Society			
	Plant & Machinery	Software Development & Computers	Office Equipment	Total	Plant & Machinery	Software Development & Computers	Office Equipment	Total
	£	£	£	£	£	£	£	£
COST								
As at 31st March 2025	66,663	185,249	19,295	271,207	-	-	-	-
Additions	-	10,128	-	10,128	-	-	-	-
Disposals	-	(81,134)	-	(81,134)	-	-	-	-
As at 31st March 2026	<u>66,663</u>	<u>114,243</u>	<u>19,295</u>	<u>200,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ACCUMULATED DEPRECIATION								
As at 31st March 2025	33,333	139,886	3,769	176,988	-	-	-	-
Additions	13,333	24,984	3,859	42,176	-	-	-	-
Disposals	-	(81,133)	-	(81,133)	-	-	-	-
As at 31st March 2026	<u>46,666</u>	<u>83,737</u>	<u>7,628</u>	<u>138,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value:								
At 31 March 2026	<u>19,997</u>	<u>30,506</u>	<u>11,667</u>	<u>62,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2025	<u>33,330</u>	<u>45,363</u>	<u>15,526</u>	<u>94,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

9. Intangible Assets

	<u>Year to 31 March 2026</u>		<u>Year to 31 March 2025</u>	
	Group	Society	Group	Society
	Software Development	Software Development	Software Development	Software Development
	£	£	£	£
As at 31st March 2025	-	-	-	-
Additions	68,320	-	-	-
As at 31st March 2026	<u>68,320</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group is developing a web interface for future use. As this is still under development no depreciation has been provided to date.

Notes to the Financial Statements

For the Year Ended 31st March 2026
(continued)

10. Investment Properties

	<u>Year to 31 March 2026</u>		<u>Year to 31 March 2025</u>	
	Group	Society	Group	Society
	Land and Buildings	Land and Buildings	Land and Buildings	Land and Buildings
	£	£	£	£
As at 31st March 2025	269,692	-	269,692	-
Additions	-	-	-	-
As at 31st March 2026	<u>269,692</u>	<u>-</u>	<u>269,692</u>	<u>-</u>

The Group's Investment Property was acquired in June 2021 on an open market basis. The Directors are of the opinion that the valuation remains appropriate as at March 2026.

11. Investments

	<u>Year to 31 March 2026</u>		<u>Year to 31 March 2025</u>	
	Group	Society	Group	Society
	£	£	£	£
The Scottish Agricultural & Rural Development Centre Limited 71,428 'C' ordinary shares of £1 each fully paid	105,370	105,370	86,287	86,287
In affiliated societies	5,911	5,911	5,911	5,911
	<u>111,281</u>	<u>111,281</u>	<u>92,198</u>	<u>92,198</u>

The holding in The Scottish Agricultural & Rural Development Centre Limited represents 14.28% of the issued share capital of that company.

12. Debtors

	<u>Year to 31 March 2026</u>		<u>Year to 31 March 2025</u>	
	Group	Society	Group	Society
	£	£	£	£
Trade debtors	491,169	414,909	488,306	336,487
Work in progress	37,357	37,357	51,717	51,717
Prepayments	206,971	54,561	200,194	63,744
Accrued Income	455,451	455,451	496,284	486,857
VAT	-	-	-	1,130
Intercompany	-	396,130	-	349,941
Other debtors	-	-	1,219	1,219
	<u>1,190,948</u>	<u>1,358,408</u>	<u>1,237,720</u>	<u>1,291,095</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	24,130	-	114,307
Aggregate amounts	<u>1,190,948</u>	<u>1,382,538</u>	<u>1,237,720</u>	<u>1,405,402</u>

Notes to the Financial Statements

For the Year Ended 31st March 2026
(continued)

13. Creditors

	Year to 31 March 2026		Year to 31 March 2025	
	Group	Society	Group	Society
	£	£	£	£
Bank loans and overdraft	15,263	-	15,263	-
Trade creditors	530,077	382,499	433,456	317,736
Intercompany	-	70,855	-	68,606
Accruals	65,137	51,688	27,092	16,991
Prepaid income	395,027	267,132	404,507	216,861
Corporation Tax	8,259	8,259	-	-
VAT	76,910	15,315	103,535	-
Other taxes and social security	96,094	66,836	87,755	54,498
	<u>1,186,767</u>	<u>862,584</u>	<u>1,071,608</u>	<u>674,692</u>

14. Creditors: Amounts Falling Due After More Than One Year

	Group	Society	Group	Society
	£	£	£	£
Bank loans and overdraft	117,488	-	127,096	-
Deferred Capital Grant	-	-	4,000	-
	<u>117,488</u>	<u>-</u>	<u>131,096</u>	<u>-</u>

15. Bank Loans and Overdrafts

	Group	Society	Group	Society
	£	£	£	£
Bank loans	132,751	-	142,359	-
Payable within one year	15,263	-	15,263	-
Payable after one year	<u>117,488</u>	<u>-</u>	<u>127,096</u>	<u>-</u>

The bank loan is secured by a floating charge and a limited guarantee from Scottish Agricultural Organisation Society Limited and a fixed charge over property held by ScotEID.com Limited.

The bank loan is denominated in Sterling with a nominal interest rate of 4.1%, and the final instalment is due in December 2037.

Notes to the Financial Statements

For the Year Ended 31st March 2026
(continued)

16. Share Capital

Shares of £1 and £100 each

	Year to 31 March 2026		Year to 31 March 2025	
	Group	Society	Group	Society
At 31st March 2025	1,740	1,740	1,465	1,465
Additions	200	200	275	275
Cancelled	(5)	(5)	-	-
At 31st March 2026	<u>1,935</u>	<u>1,935</u>	<u>1,740</u>	<u>1,740</u>