



REGISTRARS COPY

**THE ROYAL ASSOCIATION OF
BRITISH DAIRY FARMERS**

**(Company limited by guarantee and not
having a share capital)**

Patron Her Majesty The Queen

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2011**

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THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
(REGISTERED NUMBER: 00013393)

REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2011

The Council presents its report and the audited financial statements for the year ended 31st December 2011

Reference and administration information

Charity name	The Royal Association of British Dairy Farmers
Charity known as	RABDF
Charity registration number	213782
Company registration number	00013393
Registered office and Operational address	Dairy House Unit 31, Abbey Park Stareton Kenilworth Warwickshire CV8 2LY

Council of Management and Directors

Mr J Alvis	
Lady Byford	(not a director)
Mr D W Cotton	
Mr D L Davies	
Mr L R C Edwards	
Mrs M M Hall	(appointed 1 1 11)
Mr I K G Macalpine	
Mr J M Owen	
Mr M A Roach	
Mr D J Roberts	
Mr A R Snodgrass	
Mr W J Taylor	(appointed 10 8 11)
Mr G Trehane	
Mr W H Whiteford	
Mr A A Wielkopolski	

President

Mr J Alvis

Chairman

Mr D W Cotton

Vice Chairman

Mr I K G Macalpine

Chief Executive

Mr N Everington

THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
(REGISTERED NUMBER: 00013393)

REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2011

Company Secretary

Mr N Everington

Auditors

Dafferns LLP, Chartered Accountants, One Eastwood, Harry Weston Road, Binley Business Park, Coventry, CV3 2UB

Bankers

Barclays Bank plc The Parade, Leamington Spa, CV32 4AZ

Structure Governance and Management

Governing Document

The Association is a charitable company limited by guarantee and does not have a share capital (No 13393) The Association was incorporated under Licence of the Board of Trade on 1st October 1879 and registered as a charity on 5th December 1962 (No 213782) The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association In the event of the company being wound up members are required to contribute an amount not exceeding £5

Recruitment and Appointment of Council

The directors of the company are also charity trustees for the purpose of charity law and under the company's Articles are known as members of the Council Under the requirements of the Memorandum and the Articles of Association one quarter of the members of the Council shall retire from office on the 31st December each year Members to retire will be those that have been longest in office since their last election or appointment At least three members of the Council shall be active or retired dairy farmers or engaged in or retired from working in or control of a dairy farming business

Trustee Induction

New trustees are briefed by the Chairman and Chief Executive on their obligations as Council Members and the future plans and objectives of the Association at a meeting held prior to the date of the first meeting in the year their appointment commences

Organisational structure and how decisions are made

The Council of Management consists of a President, Chairman, twelve members elected by the Association and up to three additional co-opted members The Council of Management acts as the Board of Trustees and is responsible for the overall governance of the Charity Elected trustees may remain in office for a period of up to four years Co-opted Trustees are appointed by the Board of Trustees and hold office until the close of the following Annual General Meeting

Trustees meet at least five times per year, apart from the AGM At these meetings the Trustees review strategy, operational and investment performance and set operating plans and budgets

The Board delegates the exercise of certain powers in connection with the management and administration of the charity as set out below This is controlled by requiring regular reporting back to the Board, so that all decisions made under delegated powers can be ratified by the full Board in due course

THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
(REGISTERED NUMBER: 00013393)

REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2011

Organisational structure and how decisions are made

The Chairman's Committee meet periodically to discuss strategy and staff issues

The Remuneration and Audit Committee meet once per year to discuss the financial performance of the Association and staff remuneration

The Investment Committee meets once per year with the Association's brokers to review the financial performance of its investments

The Dairy Event and Livestock Show Strategy Committee meet once per year to review the previous event and plan future strategy

The Membership Committee meets periodically to review membership numbers, benefits and categories and to discuss initiatives to recruit new members

Chief Executive

The Chief Executive is responsible for the day to day management of the Association's affairs and for implementing policies agreed by the Council of Management

Risk Management

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. The major activity is the annual two day Dairy Event and Livestock Show run each year. The primary risks facing the charity here are due to the vagaries of the weather and potential animal health and disease risks. The trustees are satisfied that they have taken all necessary precautions. The Association is also increasingly looking at new income streams to lessen its dependence on a successful Dairy Event and Livestock Show.

Objectives and Activities

The Association's charitable aims and objectives are to encourage the development of a successful, sustainable and profitable dairy farming sector in the UK by maintaining its activities involved with

- Educating dairy farmers through technical farm walks & open days
- Provision of training and advice for farmers at the Dairy Event and Livestock Show
- Rewarding success & achievement in young people through the Dairy Student & Farm Health Planning Awards
- Ensuring agricultural lecturers receive regular training by organising the annual College Lecturers Training Day
- Promoting career opportunities for students in the livestock industry by running the Careers Day at the Event in conjunction with like-minded organisations
- Encouraging improvements in dairy farming by rewarding success through competitions i.e. Gold Cup & associated awards
- Recognising significant personal contributions to the dairy industry through the Princess Royal Award
- Promoting technical developments of benefit to farmers via the Prince Philip and Livestock Machinery & Equipment Awards

To achieve the charitable aims of the society by meeting the following objectives

- 1 To exceed the budgeted surplus of £5,303 in 2011, as agreed by Council

The Association made a deficit of £6,530 as a result of two unexpected occurrences. Firstly, following an HMRC investigation, a liability for VAT of £8,172 for the 2008 and 2009 financial years was paid and secondly a funding deficit of £4,250 from the Pathomilk Project which ended in 2009 was written off in 2011.

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REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2011

- 2 Increase Annual and Young Membership and retain Corporate Members, using targeted campaigns to the 2010 Associate Members and promotions at RABDF organised events

Despite concerted efforts to promote membership by the whole RABDF team in 2011, membership numbers fell by 44 to 1015 in a year when UK dairy farmer numbers fell by 388 Young membership numbers increased by 9 to 30 and 36 Corporate members were retained

- 3 Maintain corporate profile on policy matters by exceeding the 30 releases issued in 2010 using the Policy Director, Chairman and other Council Members

RABDF issued 22 press releases during 2011 covering corporate and policy issues The target was not achieved as there were fewer consultations on dairy issues during the year on which to respond and a lower level of political activity in general

- 4 Complete a successful absorption in to the event of National All Breeds and New Smithfield Shows and reduce RABDF's subsidy of the Livestock Hall

Both shows were successfully absorbed and Livestock Hall costs came in under budget

- 5 Increase Event stand space income over 2010 by selling more stands and introducing charging higher stand space fees

Although stand numbers sold remained static compared with 2010, many of the 480 exhibitors increased their space booked and with slightly higher stand space fees, stand space income increased by 25% over the previous year

- 6 Increase net ticket sales income by selling more tickets, raising attendance and increasing all ticket prices

Attendance increased by 2% over the 2010 event to 16,300 in a year when the number of dairy farmers fell by 3.6% Ticket prices were increased to absorb the VAT increase and ticket sales income increased by 4% on the year

- 7 Minimise loss of ticket revenue by improving security of Livestock Hall and continuing to build visitor contacts data base using prize draws etc.

Security personnel were deployed on the entrances and exits to the Livestock Hall The event prize draw was again very successful adding over 2,000 contacts to the database

- 8 Maintain investment capital and dividend income and also actively investigate additional sources of income using the association's existing skill base that fall within RABDF's charitable status

Although dividend income and interest earned exceeded budget by nearly 15%, realised losses of £8,206 and unrealised losses of £44,281 reduced the value of investments by £52,487

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REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2011

- 9 Participate in European Projects i.e. Geronimo II – Biogas where there is a clear benefit to UK dairy farmers and in any review of FITs

The 30 month Geronimo 11 project commenced in May 2011 with the recruitment in the UK of 5 dairy and 2 pig farms for energy audits on the biogas project

Achievements and Performance

The Association's main areas of activity continue to be the organisation of the annual Dairy Event and Livestock Show, provision of training and technical information for dairy farmers, and representation of members' interests with government and other organisations

Dairy Event and Livestock Show

The Association continues to benefit from strong support from the supply industry. Surveys conducted with exhibitors after the event showed that 67% took orders at the Event and 82% were satisfied with the quality of enquiries received. The vast majority, 81% of the event's visitors, work on the farm indicating that the Association continues to fulfil the objects for which it was established.

Farm Walks

The workshop for commercial goat farmers was held in March and attracted 113 visitors, with farmers travelling from all over the country to Taunton in Somerset. The early grazing days entitled "Milking Grass for Profit" were repeated in 2011 with two farm walks held in April, one in West Wales and the other in North Yorkshire. These were both organised in association with the British Grassland Society and DairyCo and were again extremely popular, attracting 430 farmers in total. Approximately 60 people attended a new Farming and Environmental Walk at The Allerton Project in Leicestershire in early June to promote the benefits of ELS and HLS to dairy farmers.

Open Days

A major open day organised by RABDF in conjunction with NMR and hosted by the King Brothers was held near Bristol on 29th June to celebrate Mike and Chris King winning the 2010 RABDF / NMR Gold Cup Award. This was a very successful day, attracting more than 750 visitors who were able to pick up some useful tips from the presentations and tour of the farm.

College Lecturer Training

The annual College Lecturers Training Day designed to keep College Lecturers up to date with the latest developments in the dairy and livestock industry, was again held in 2011. Over 18 lecturers from 11 colleges throughout the UK attended the conference which was kindly hosted by Harper Adams University College. Attendees were fairly equal in their assessment of the benefits of the day finding the talks useful for course material, networking and personal development.

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REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2011

Membership

Members continue to take advantage of the range of membership benefits on offer from the Association and the farm walks and open days provide useful opportunities for RABDF to engage with its existing members and promote membership to new contacts

European Projects

Geronimo II, a Biogas Project commenced in May 2011 with two meetings held with the thirteen participants one in Spain and one in Cyprus. This project will last for 30 months and is a focused strategy to enable European Farmers to tap in to Biogas opportunities

Additional technical information and news was provided to members via the newsletter Milk Digest and the organisation's website www.rabdf.co.uk

Representation

RABDF continues to represent British Dairy Farmers by responding to consultation documents and holding meetings with government and other organisations

The Association maintains an involvement with many groups amongst which are, The Dairy Supply Chain Forum, DairyUK Farmers Forum, All Party Parliamentary Group for Cheese, DEFRA TB Stakeholders Group, Dairy2020 Strategy Group, Dairy Road Map, Environmental Plan for Dairy Farming, Cattle Health & Welfare Group and RUMA

RABDF also continues to manage administration for Cattle Health Certification Standards (CHECS) the self-regulating body for eleven cattle health schemes in the British Isles, which provides monitoring, control and eradication of the four most important non statutory diseases in beef and dairy herds, BVD, IBR, Leptospirosis and Johne's

RABDF meets regularly with industry leaders to discuss a positive way forward for dealing with the major issue of bovine TB, which is restricting development of the dairy industry

Dairy House

The Association continues to rent accommodation at Abbey Park, Stareton, Kenilworth, Warwickshire. Information about the activities of the organisation is circulated to members of Council and employees on a weekly basis and regular staff meetings are held, at which employees are encouraged to give their suggestions and views on performance and strategy. Career development is assessed through annual appraisals and training programmes are provided to meet on-going needs

Financial Review

The Association's finances show a deficit of £14,736 compared with a surplus of £16,363 in 2010

The Association's funds at 31st December 2011 stood at £1,099,226 compared with £1,158,243 at 31st December 2010

Principal Funding Sources

Aside from income generated from investments and members subscriptions, the principal funding sources are farm walks, open days and events particularly the Dairy Event and Livestock Show

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Investment Policy

The trustees of the Association have considered the most appropriate policy for investing funds and have instructed our investment manager to seek a balanced portfolio based upon low risk investments with a bias towards income and some capital growth

Reserves Policy

The Council has examined the Association's requirements for reserves in the light of the main risks to the organisation. The Association aims to hold financial reserves that cover one year's expenditure. At 31st December 2011 the Association held free reserves amounting to £1,099,226

Plans for Future Periods

RABDF aims to encourage the development of a successful, sustainable and profitable dairy farming sector in the UK by maintaining its activities involved with

- Educating dairy farmers and stockmen through farm walks, open days and conferences
- Provision of training and advice for farmers at Livestock 2012 Incorporating Dairy Event
- Implementing high welfare standards for the showing of dairy cows at the event
- Promoting high health and welfare standards through the work of CHECS
- Persuading influencers to accept the concept of well-run dairy farms, irrespective of size
- Promoting the sale of dairy products made with British milk
- Providing space and infrastructure for the NABS to allow the showing of dairy cattle
- Rewarding young people with the Dairy Student & Farm Health Management Awards
- Training agricultural lecturers by organising the College Lecturers Training Day
- Promoting career opportunities for students in the livestock industry
- Encouraging new entrants by supporting the activities of Fresh Start
- Recognising excellence through competitions i.e. Gold Cup
- Working with others to introduce a national CPD system for dairy farmers
- Recognising significant contributions to the industry through Princess Royal's Award
- Promoting technical developments via Prince Philip, Machinery & Equipment Awards
- Encouraging innovation and knowledge transfer by supporting Dairy Science Forum
- Supporting farmers in need by assisting farming charities with funding & awareness

To achieve the charitable aims of the society by meeting the following business objectives

- To exceed the budgeted surplus as agreed by Council
- Maintain Annual Membership and Corporate Membership
- Attend all relevant meetings to represent the views of RABDF's membership
-

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REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2011

- Complete a successful transition of the Dairy Event and Livestock Show to Livestock 2012 Incorporating Dairy Event
- Introduce a web-based stand space booking system to save printing and administration costs
- Improve efficiency of Filemaker database system to handle increased transactions
- Increase Event stand space income by selling additional trade stands
- Increase net ticket sales income by promotion to a wider audience
- Build and use the Association's database of contacts for email promotion of events
- Maintain investment capital and dividend income
- Investigate additional sources of income using the association's skill base
- Participate in Geronimo II – Biogas where there is a benefit to UK dairy farmers

Public benefit

The trustees consider they have complied with their duty to have due regard to the guidance on public benefit, as published by the Charity Commission, in exercising their powers and duties

Responsibilities of the Directors and Trustees

The trustees (who are also the directors of The Royal Association of British Dairy Farmers for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to -

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

The directors and trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS

REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2011

Members of the Council

Members of the Council who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1

Statement as to disclosure of information to Auditors

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

Auditors

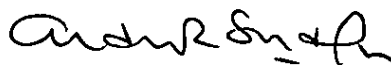
The auditors, Dafferns LLP, will be proposed for re-appointment at the forthcoming annual general meeting

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

Approved by the Council on 28th June 2012 and signed on its behalf by



Mr D W Cotton - Chairman



Mr A R Snodgrass - Hon Treasurer

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
(REGISTERED NUMBER: 00013393)**

We have audited the financial statements of The Royal Association of British Dairy Farmers for the year ended 31st December 2011 on pages 12 to 19. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Association's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Association's trustees 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 Association and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also the directors of the Association for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 Association's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the Council to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
(REGISTERED NUMBER: 00013393)**

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Association's affairs as at 31st December 2011, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities), and
- have been prepared in accordance with the requirements of the Companies Act 2006

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion

- the information given in the Report of the Council is inconsistent in any material respect with the financial statements, or
- the Association has not kept adequate accounting records, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for an audit

Dafferns LLP

Dafferns LLP,
Chartered Accountants
Statutory Auditor,
One Eastwood,
Harry Weston Road,
Binley Business Park,
Coventry,
CV3 2UB

29th June 2012

THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
(REGISTERED NUMBER: 00013393)

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31st DECEMBER 2011

	Unrestricted funds	
	2011	2010
	£	£
INCOMING RESOURCES		
Voluntary income		
Donations	277	440
Activities to generate funds		
Investment income and interest earned	40,495	30,734
Charitable activities		
Membership subscriptions	51,440	53,622
Conference, events and awards	1,130,087	931,170
European projects	5,253	-
Total incoming resources	<u>1,227,552</u>	<u>1,015,966</u>
RESOURCES EXPENDED		
Costs of generating funds		
Investment brokers fees	5,468	4,996
Charitable activities		
Membership costs	13,900	11,323
Conference, events and awards	944,172	761,205
Public relations and marketing	4,501	7,079
Policy adviser's remuneration/expenses	7,596	7,994
European projects	12,672	1,282
Support costs		
Staff salaries, national insurance and pensions	155,332	134,813
Chief executive costs	9,586	9,389
Property costs	26,749	24,303
Administration costs	16,477	19,752
Bank charges and interest	2,495	907
Miscellaneous	1,381	1,453
Legal and professional	8,383	1,650
Exchange rate fluctuation	117	917
Depreciation	3,709	4,285
Governance costs		
Audit and accountancy	6,115	10,775
Council members' expenses and meeting costs	15,429	11,982
Total resources expended	<u>1,234,082</u>	<u>1,014,105</u>

THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
(REGISTERED NUMBER: 00013393)

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31st DECEMBER 2011

	Note	Unrestricted funds 2011 £	2010 £
Incoming resources	1	1,227,552	1,015,966
Resources expended		<u>1,234,082</u>	<u>1,014,105</u>
Net incoming / (outgoing) resources		(6,530)	1,861
Realised gains / (losses) on investments		<u>(8,206)</u>	<u>14,502</u>
Surplus / (deficit) for the year		(14,736)	16,363
Unrealised gains / (losses) on investments		<u>(44,281)</u>	<u>90,557</u>
Net movement in funds		(59,017)	106,920
Fund balances at 1st January 2011		<u>1,158,243</u>	<u>1,051,323</u>
Fund balances at 31st December 2011		<u>1,099,226</u>	<u>1,158,243</u>

The notes on pages 16 to 19 form an integral part of these financial statements

THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
(REGISTERED NUMBER: 00013393)

BALANCE SHEET AS AT 31st DECEMBER 2011

	Note	2011	2010
		£	£
Fixed assets			
Investments	5	1,072,674	1,131,722
Tangible assets	6	<u>3,625</u>	<u>7,334</u>
		1,076,299	1,139,056
Current assets			
Debtors	7	55,318	79,493
Cash at bank and in hand		<u>171,697</u>	<u>54,038</u>
		227,015	133,531
Current liabilities			
Creditors - amounts falling due within one year	8	<u>204,088</u>	<u>114,344</u>
Net current assets		<u>22,927</u>	<u>19,187</u>
Net assets		<u>1,099,226</u>	<u>1,158,243</u>
Financed by			
Reserves	9	<u>1,099,226</u>	<u>1,158,243</u>

THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS**BALANCE SHEET AS AT 31st DECEMBER 2011 (continued)**

The Association is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31st December 2011

The members have not deposited notice, pursuant to section 476 of the Companies Act 2006 requiring an audit of these financial statements

The Council acknowledge their responsibilities for

- a) ensuring that the charitable company keeps accounting records that comply with sections 386 and 387 of the Companies Act 2006 and
- b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company

These financial statements have been audited under the requirements of section 154 of the Charities Act 2011

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Council on 28th June 2012 and were signed on its behalf by



Mr D W Cotton - Chairman



Mr A R Snodgrass - Hon Treasurer

The notes on pages 16 to 19 form an integral part of these financial statements

THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
(REGISTERED NUMBER: 00013393)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2011

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Gross income is stated net of value added tax. Membership subscriptions receivable are apportioned over the period to which they relate.

Resources expended

Expenditure is accounted for on an accruals basis.

The following support costs have been allocated to Conference, events and awards, in respect of the annual Dairy Event and Livestock Show:

Staff salaries, national insurance and pensions - 50%

Chief executive costs - 50%

Administration costs - 80% of printing and stationery

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

	Rate	Method
Office furniture and fittings	25%	Reducing balance
Computer equipment	33%	Straight line
Stoneleigh - store, furniture and fittings		Already written off

Investments

Investments are stated in the balance sheet at market value in accordance with the SORP. Movements in market value are shown on the statement of financial activities. Cash held by Investment Managers pending reinvestment is treated as being part of total investments.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of receipt. Exchange differences are taken into account in arriving at the operating result.

Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2011

1. Accounting policies (continued)

Pensions

The Association operates defined contribution pension schemes. Contributions payable during the period are charged in the statement of financial activities, and amounted to £26,008 (2010 £20,078). The assets of these schemes are held separately from those of the Association in independently administered funds.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. All the Association's funds are unrestricted.

Consolidation

The company and its subsidiary comprise a small group. The company has therefore taken advantage of the exemption provided by section 398 of the Companies Act 2006 not to prepare group accounts.

2. Net income

	2011 £	2010 £
This is stated after charging / (crediting) the following		
Depreciation of tangible fixed assets	3,306	4,285
Loss on disposal of fixed assets	403	-
Operating lease costs	34,078	31,393
Auditors' remuneration	2,750	2,750
Accountancy and other services	<u>3,365</u>	<u>8,025</u>

3. Trustee remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31st December 2011, nor for the year ended 31st December 2010.

Trustees' expenses

Reimbursed travel expenses	<u>11,476</u>	<u>9,643</u>
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4. Staff numbers and costs

The average weekly number of persons employed by the Association during the year was

Administration	<u>8</u>	<u>8</u>
Staff costs were		
Salaries	252,602	221,328
Social security costs	28,017	25,610
Pension and insurance costs	<u>30,045</u>	<u>22,688</u>
	<u>310,664</u>	<u>269,626</u>

Number of employees with emoluments over £60,000
£70,001 - £80,000

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THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
(REGISTERED NUMBER: 00013393)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2011**

5. Investments

	2011	2010
	£	£
Opening balance of investments held at 1 1 11	1,060,633	1,014,749
Purchases at cost	431,932	181,522
Sales proceeds	(409,443)	(240,697)
Realised gains / (losses) on sales	(8,206)	14,502
Unrealised gains / (losses) on revaluation	<u>(44,281)</u>	<u>90,557</u>
Closing balance of investments held at 31 12 11 (all quoted on a recognised stock exchange)	1,030,635	1,060,633
Cash held by investment managers for reinvestment	42,038	71,089
Shares in subsidiary	<u>1</u>	<u>-</u>
	<u>1,072,674</u>	<u>1,131,722</u>

At 31.12.2011		At 31.12.2010	
Cost	Valuation	Cost	Valuation
<u>913,044</u>	<u>1,072,674</u>	<u>866,160</u>	<u>1,131,722</u>

Shares in subsidiary

Name Farming Events Limited

Nature of business Dormant

Class of shares Ordinary - Holding 100%

Aggregate capital and reserves

Profit for the year

-	-
<u>-</u>	<u>-</u>

6. Tangible fixed assets

	Computer Equipment £	Office Furniture & Fittings £	Storage, Furniture & Fittings £	Total £
Cost				
As at 1 1 11	48,928	41,729	3,114	93,771
Additions	-	-	-	-
Disposals	-	<u>(955)</u>	-	<u>(955)</u>
As at 31 12 11	<u>48,928</u>	<u>40,774</u>	<u>3,114</u>	<u>92,816</u>
Depreciation				
As at 1 1 11	45,927	37,396	3,114	86,437
Provision for the year	2,323	983	-	3,306
Disposals	-	<u>(552)</u>	-	<u>(552)</u>
As at 31 12 11	<u>48,250</u>	<u>37,827</u>	<u>3,114</u>	<u>89,191</u>
Net book value				
As at 31 12 11	<u>678</u>	<u>2,947</u>	<u>-</u>	<u>3,625</u>
As at 31 12 10	<u>3,001</u>	<u>4,333</u>	<u>-</u>	<u>7,334</u>

The Association's challenge cups are not included in the tangible fixed assets
They were professionally valued at £161,140 on 21st October 2010

THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
(REGISTERED NUMBER: 00013393)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2011

7. Debtors

	2011	2010
	£	£
Debtors on ordinary activities	4,468	23,121
Other debtors	5,697	3,749
Prepayments	<u>45,153</u>	<u>52,623</u>
	<u>55,318</u>	<u>79,493</u>

8. Creditors: amounts falling due within one year

Creditors on ordinary activities	96,406	65,464
Income received in advance	36,260	24,666
Social security	8,358	-
Value added tax	49,239	12,509
Accruals	<u>13,825</u>	<u>11,705</u>
	<u>204,088</u>	<u>114,344</u>

9 Reserves - General Fund – unrestricted fund

Balance at 1st January 2011	1,158,243	1,051,323
Net income / (expense) for the year	(6,530)	1,861
Investment revaluation	<u>(52,487)</u>	<u>105,059</u>
Balance at 31st December 2011	<u>1,099,226</u>	<u>1,158,243</u>

10. Commitments

Capital commitments

Commitments for capital expenditure at the end of the year were as follows

Authorised and contracted for	=	=
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11. Operating lease commitments

The following payments are committed to be paid within one year

Leasehold property – within one year	19,853	-
Leasehold property – between two and five years	-	19,853
Other assets - within one year	197	-
Other assets - between two and five years	<u>2,194</u>	<u>4,558</u>

12. Related party transactions

There were no material related party transactions during the year (2010 £nil)