



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 2012**

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

REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2012

The Council presents its report and the audited financial statements for the year ended 31st December 2012

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
 Mr D W Cotton
 Mr D L Davies
 Mr L R C Edwards
 Mrs M M Hall
 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
 Mr G Trehane
 Mr W H Whiteford
 Mr A A Wielkopolski

President

Prof D Leaver

Chairman

Mr D W Cotton

Vice Chairman

Mr I K G Macalpine

Chief Executive

Mr N Everington

THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
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REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2012

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

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REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2012

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 Livestock 2012 Incorporating Dairy Event 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 Livestock 2012 Incorporating Dairy Event

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 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 ie 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

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

REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2012

Objectives and Activities

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

- 1 To exceed the budgeted surplus of £5,200 in 2012, as agreed by Council

The association made a deficit on ordinary activities of £10,286 mainly as a result of lower than budgeted income from ticket sales at Livestock 2012 which was down by £40,107. This was as a result of a reduction in visitor numbers caused by fine weather during the event week following one of the wettest summers on record. Lower than expected dividends from investments of £7,676 together with unbudgeted additional costs of £4,211 on European Projects also contributed to the deficit. However, Livestock 2012 stand space sales at £37,214 above budget and an Events and Awards surplus of £8,264 together with savings in Dairy House expenditure of £8,767 all contributed towards mitigating the deficit.

- 2 Maintain Annual Membership at 1,000 members and retain 35 Corporate Members

Considerable effort was made to promote annual and young membership by the whole RABDF team at an increased number of farm walks and open days during 2012. However despite this, membership numbers fell by 26 to 989, in a year when UK dairy farmer numbers fell by 244. Corporate member numbers fell by 2 to 34.

- 3 Attend all relevant meetings to represent the views of RABDF's membership

The Association's Chairman was very active during 2012 attending numerous meetings including representing the Association on the Coalition Group for SOS Dairy. The Association's Policy Director also responded to all relevant consultations on behalf of its members.

- 4 Complete a successful transition of DELS to Livestock 2012 Incorporating Dairy Event

Stand numbers increased by 30 over the 2011 figure and the event continued to widen its offering to farmers with other species, increasing the percentage of stands selling products for beef, sheep, pigs and poultry farmers to 72%, 58%, 45%, 38% respectively. The offering to dairy farmers has not been diluted and has actually increased from 93% to 98% of stands over the past 3 years.

- 5 Introduce a web-based stand space booking system to save printing costs of £6,600

This was a great success in its first year with 80% of exhibitors booking on line and only 20% submitting applications using pdf forms printed from the web. No Exhibitor Stand Space Schedule was printed.

- 6 Improve efficiency of Filemaker database system to handle increased transactions

Development of the upgrade of Filemaker to Phoenix continued and was tested in November 2012 with the launch of stand space bookings for Livestock Event 2013.

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REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2012

Objectives and Activities

- 7 Increase Event stand space income by £113K to £876K

Stand Space income rose to £912K exceeding budget by £37K mainly as a result of an increase in stand booking numbers

- 8 Increase net ticket sales income by £10K to £150K

Despite substantial expenditure on marketing to potential visitors the increase in ticket sales income was not achieved due to a reduction in visitor numbers caused by fine weather during the event week following one of the wettest summers on record. The early September dates clashed with a late grain harvest and silage making.

- 9 Build & use database of contacts for email promotion of events

Work continued on this project during 2012 alongside development of the Phoenix database

- 10 Maintain investment capital and dividend income

Dividend income and interest earned fell short of budget by £7,676. This will be discussed with the Association's investment advisors at the annual review meeting. However, realised gains of £13,657 and unrealised gains of £71,212 increased the value of investments by £84,263.

- 11 Investigate additional sources of income using the association's skill base

Additional farm walks and open days were introduced in 2012 including a new series of National Youngstock Walks which all contributed extra income and surplus to the Association.

- 12 Participate in Geronimo II – Biogas where there is a benefit to UK dairy farmers

The association continued its involvement in this European Project with the Association's Policy Director and Livestock Coordinator attending all relevant meetings.

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

Livestock 2012

The Association continues to benefit from strong support from the supply industry. Surveys conducted with exhibitors after the event showed that 67% were happy with the number of enquiries received and 91% were satisfied with the quality of enquiries received despite the adverse effect fine weather had on attendance.

The vast majority, 79% of the event's visitors, work on the farm indicating that the Association continues to fulfil the objects for which it was established.

**THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
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REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2012

Objectives and Activities

Farm Walks

A record nine farm walks were organised by RABDF in 2012 starting with the inaugural National Youngstock Farm Walks commencing in late February at Evesham. A further 4 walks were held on farms near Penrith, Steyning, Bakewell and Lockerbie focusing on best practice with management of young stock. These were all well attended, averaging 125 visitors per farm.

The early grazing days entitled "Milking Grass for Profit" was repeated in 2012 with two farm walks held, one in March near Taunton in Somerset and the other in April at Northwich in Cheshire. These were both organised in association with the British Grassland Society and DairyCo and were again extremely popular, attracting 450 farmers in total.

Approximately 100 people attended a new High Input / High Output Farm Walk in March at Derrick Davies' farm near Reading. Local WI members were also invited to help dispel the myth held by some of the public that cows can't do well housed inside all year round.

The annual workshop for commercial goat farmers held in November, attracted 140 visitors with farmers travelling from all over the country to Gloucestershire. This event received very good feedback from attendees.

Open Days

A major open day organised by RABDF in conjunction with NMR and hosted by Tom King was held near Dorchester on 3rd July to celebrate Tom and his team winning the 2011 RABDF / NMR Gold Cup Award. Despite the atrocious weather conditions, this was a very successful day, attracting more than 730 visitors who were able to pick up some useful tips from the presentations and tour of the farm.

College Lecturer Training

Twenty six delegates representing fifteen agricultural colleges located throughout the UK were brought up to speed with the latest developments in the dairy sector at the 2012 annual college lecturers' day hosted by Hartpury College. The event, specifically designed for agricultural lecturers, featured a series of presentations examining the current challenges facing the dairy industry.

National Herdsmans Conference

In recognition of the huge contribution herd managers make to the dairy farming industry, RABDF continues to co-sponsor the National Herdsmans Conference organised by LKL Services Ltd.

Fresh Start National Dairy Academy

RABDF has provided managerial and secretarial support free of charge to assist the establishment and running of the first National Dairy Academy. 18 young people attended evening sessions at Reaseheath College covering subjects such as Business Planning, Benchmarking and Financing your Business and Communications and Presenting your Business Case. Plans are in place to establish a further two academies at Cannington and Gelli Aur Colleges in 2013.

THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
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REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2012

Objectives and Activities

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- Biogas is a project funded by the European Commission's "Intelligent Energy Europe Programme" 13 organisations from 11 European countries are working closely with dairy and pig farmers to determine the viability of biogas as a feasible investment for their farms, through to supporting them in getting promising biogas business plans off the ground

A European training session was held in Brno in April followed by a presentation of the project at the European Biomass Conference in Milan in June RABDF also organised a Biogas training conference at Reaseheath College in July 2012 Two Geronimo Biogas Newsletters were issued during 2012 and additional technical information 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 consultations 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, Dairy 2020 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

A coalition of representative organisations was formed in July 2012 following the crisis that developed in the dairy farming industry after processors cut the farm gate milk price by 2ppl in April and then threatened to cut prices by a further 2ppl later that summer

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REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2012

Objectives and Activities

RABDF's Vice Chairman and CE supported its members by attending the national dairy farmer protest at Westminster Hall on 11th July

Whilst NFU, NFY Cymru, NFUS and TFA maintained a strong lobby of processors and retailers and FFA conducted many effective protests outside distribution outlets nationwide, RABDF focused its attention on influencing consumers. A 4 pint poly image, showing how unfair margins are in the dairy industry was developed and RABDF promoted its message to the general public. RABDF's Membership Coordinator using social media rapidly raised awareness of the plight of dairy farmers using the 4 pint poly image, which at the height of the campaign was tweeted by 3.5m people and had 675K followers on Facebook. RABDF was able to direct concerned members of the public towards those retailers and processors paying the highest milk prices. Getting the public to vote with their feet encouraged some of the retailers to abandon plans for further price cuts thereby averting a major crisis. RABDF also invited the WI to join the protest and they were very supportive with their Fair Deal Campaign. The combined action of the Coalition Group put 4 ppl back into the dairy farming industry worth over £500m.

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 surplus of £3,371 compared with a deficit of £14,736 in 2011.

The Association's funds at 31st December 2012 stood at £1,173,809 compared with £1,099,226 at 31st December 2011.

Principal Funding Sources

Aside from income generated from investments and members subscriptions, the principal funding sources are farm walks, open days and events particularly Livestock 2012 Incorporating Dairy Event.

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 2012 the Association held free reserves amounting to £1,173,809.

THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
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REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2012

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 the Livestock 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 and encouraging exports
- Providing space and infrastructure for the showing of dairy cattle at the Livestock Event
- 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 ie Gold Cup
- Working with others to promote the DairyPro 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
- Complete a successful transition of the Livestock Event from September to July dates
- Continue to build a data base and introduce visitor registration systems which record a minimum of 50% of email addresses to enable future contact and pre event promotion
- Ensure a smooth transition from Filemaker to Phoenix database system, successfully integrate with Sage and prepare annual accounts for RABDF Events Ltd as well as RABDF

**THE ROYAL ASSOCIATION OF BRITISH DAIRY FARMERS
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REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2012

Plans for Future Periods

- Increase Event stand space income by raising prices and selling additional trade stands
- Increase net ticket sales income by promoting to a wider audience
- Maintain investment capital and dividend income
- Prepare a business plan for a new RABDF income generator for 2014
- 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,
- 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 charitable company will continue in operation

The directors and trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 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
(REGISTERED NUMBER: 00013393)

REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2012

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 trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is 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 30th May 2013 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 2012 on pages 14 to 22. 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 10, 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 2012, 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

7th June 2013

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 2012

	Unrestricted funds	
	2012	2011
	£	£
INCOMING RESOURCES		
Voluntary income		
Donations	298	277
Activities to generate funds		
Investment income and interest earned	29,632	40,495
Charitable activities		
Membership subscriptions	50,740	51,440
Conference, events and awards	1,269,944	1,130,087
European projects	25,029	5,253
Total incoming resources	<u>1,375,643</u>	<u>1,227,552</u>
RESOURCES EXPENDED		
Costs of generating funds		
Investment brokers fees	5,519	5,468
Charitable activities		
Membership costs	11,615	13,900
Conference, events and awards	1,041,653	944,172
Public relations and marketing	4,693	4,501
Policy adviser's remuneration/expenses	12,070	7,596
European projects	29,241	12,672
Support costs		
Staff salaries, national insurance and pensions	175,144	155,332
Chief executive costs	9,599	9,586
Property costs	27,782	26,749
Administration costs	26,917	16,477
Bank charges and interest	952	2,495
Miscellaneous	1,473	1,381
Legal and professional	6,063	8,383
Exchange rate fluctuation	79	117
Depreciation	6,572	3,709
Governance costs		
Audit and accountancy	11,242	6,115
Council members' expenses and meeting costs	15,315	15,429
Total resources expended	<u>1,385,929</u>	<u>1,234,082</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 2012

	Note	Unrestricted funds 2012 £	2011 £
Incoming resources	1	1,375,643	1,227,552
Resources expended		<u>1,385,929</u>	<u>1,234,082</u>
Net incoming / (outgoing) resources		(10,286)	(6,530)
Realised gains / (losses) on investments		<u>13,657</u>	<u>(8,206)</u>
Surplus / (deficit) for the year		3,371	(14,736)
Unrealised gains / (losses) on investments		<u>71,212</u>	<u>(44,281)</u>
Net movement in funds		74,583	(59,017)
Fund balances at 1st January 2012		<u>1,099,226</u>	<u>1,158,243</u>
Fund balances at 31st December 2012		<u>1,173,809</u>	<u>1,099,226</u>

The notes on pages 18 to 22 form an integral part of these financial statements

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

BALANCE SHEET AS AT 31st DECEMBER 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Investments	5		1,150,925		1,072,674
Tangible assets	6		<u>17,996</u>		<u>3,625</u>
			1,168,921		1,076,299
Current assets					
Debtors	7	43,948		55,318	
Cash at bank and in hand		<u>124,665</u>		<u>171,697</u>	
		168,613		227,015	
Current liabilities					
Creditors - amounts falling due within one year	8	<u>163,725</u>		<u>204,088</u>	
Net current assets			<u>4,888</u>		<u>22,927</u>
Net assets			<u>1,173,809</u>		<u>1,099,226</u>
Financed by					
Reserves	9		<u>1,173,809</u>		<u>1,099,226</u>

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

BALANCE SHEET AS AT 31st DECEMBER 2012 (continued)

The Association is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31st December 2012

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 30th May 2013 and were signed on its behalf by



Mr D W Cotton - Chairman



Mr A R Snodgrass - Hon Treasurer

The notes on pages 18 to 22 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 2012

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
Event equipment	20%	Straight line

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
(REGISTERED NUMBER: 00013393)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2012

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 £27,167 (2011 £26,008). 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

	2012 £	2011 £
This is stated after charging / (crediting) the following		
Depreciation of tangible fixed assets	6,572	3,306
Loss on disposal of fixed assets	-	403
Operating lease costs	37,010	34,078
Auditors' remuneration	2,750	2,750
Accountancy and other services	<u>8,492</u>	<u>3,365</u>

3. Trustee remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31st December 2012, nor for the year ended 31st December 2011.

Trustees' expenses

Reimbursed travel expenses	<u>11,595</u>	<u>11,476</u>
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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 2012

4. Staff numbers and costs

	2012 £	2011 £
The average weekly number of persons employed by the Association during the year was		
Administration	<u>9</u>	<u>8</u>
Staff costs were		
Salaries	286,071	252,602
Social security costs	32,799	28,017
Pension and insurance costs	<u>31,417</u>	<u>30,045</u>
	<u>350,287</u>	<u>310,664</u>
Number of employees with emoluments over £60,000		
£70,001 - £80,000		<u>1</u>
£80,001 - £90,000	<u>1</u>	

5. Investments

Opening balance of investments held at 1 1 12	1,030,635	1,060,633
Purchases at cost	259,599	431,932
Sales proceeds	(260,205)	(409,443)
Realised gains / (losses) on sales	13,657	(8,206)
Unrealised gains / (losses) on revaluation	<u>71,212</u>	<u>(44,281)</u>
Closing balance of investments held at 31 12 12		
(all quoted on a recognised stock exchange)	1,114,898	1,030,635
Cash held by investment managers for reinvestment	36,025	42,038
Shares in subsidiaries	<u>2</u>	<u>1</u>
	<u>1,150,925</u>	<u>1,072,674</u>

At 31.12.2012		At 31.12.2011	
Cost	Valuation	Cost	Valuation
<u>917,800</u>	<u>1,150,925</u>	<u>913,044</u>	<u>1,072,674</u>

Shares in subsidiaries

Name Farming Events Limited

Nature of business Dormant

Class of shares Ordinary - Holding 100%

Aggregate capital and reserves

Profit for the year

1	1
<u>-</u>	<u>-</u>

Name RABDF Events Ltd

Nature of business Dormant

Class of shares Ordinary - Holding 100%

Aggregate capital and reserves

Profit for the year

1	-
<u>-</u>	<u>-</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2012

6. Tangible fixed assets

	Computer Equipment £	Office Furniture & Fittings £	Event Equipment £	Total £
Cost				
As at 1 1 12	48,928	40,774	3,114	92,816
Additions	7,267	-	13,676	20,943
Disposals	-	-	(3,114)	(3,114)
As at 31 12 12	<u>56,195</u>	<u>40,774</u>	<u>13,676</u>	<u>110,645</u>
Depreciation				
As at 1 1 12	48,250	37,827	3,114	89,191
Provision for the year	3,100	737	2,735	6,572
Disposals	-	-	(3,114)	(3,114)
As at 31 12 12	<u>51,350</u>	<u>38,564</u>	<u>2,735</u>	<u>92,649</u>
Net book value				
As at 31 12 12	<u>4,845</u>	<u>2,210</u>	<u>10,941</u>	<u>17,996</u>
As at 31 12 11	<u>678</u>	<u>2,947</u>	<u>-</u>	<u>3,625</u>

The Association's challenge cups are not included in the tangible fixed assets
They were professionally valued at £161,140 on 21st October 2011

7. Debtors

	2012 £	2011 £
Debtors on ordinary activities	11,775	4,468
Other debtors	3,812	5,697
Prepayments	<u>28,361</u>	<u>45,153</u>
	<u>43,948</u>	<u>55,318</u>

8. Creditors: amounts falling due within one year

Creditors on ordinary activities	106,920	96,406
Income received in advance	25,184	36,260
Social security	9,871	8,358
Value added tax	12,064	49,239
Other creditors and accruals	<u>9,686</u>	<u>13,825</u>
	<u>163,725</u>	<u>204,088</u>

9. Reserves - General Fund – unrestricted fund

Balance at 1st January 2012	1,099,226	1,158,243
Net (expense) for the year	(10,286)	(6,530)
Investment revaluation	<u>84,869</u>	<u>(52,487)</u>
Balance at 31st December 2012	<u>1,173,809</u>	<u>1,099,226</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2012

10. Commitments

Capital commitments

	2012	2011
	£	£
Commitments for capital expenditure at the end of the year were as follows		
Authorised and contracted for	<u>-</u>	<u>-</u>

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	20,449	-
Other assets - within one year	548	197
Other assets - between two and five years	<u>-</u>	<u>2,194</u>

12. Related party transactions

There were no material related party transactions during the year (2011 £nil)