



**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 2013**

Dairy House, Unit 31, Abbey Park  
Stareton, Kenilworth, Warwickshire CV8 2LY  
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COMPANIES HOUSE

Dafferns LLP

Chartered Accountants & Business Advisers

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

**REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2013**

The Council presents its report and the audited financial statements for the year ended 31st December 2013.

**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 D W Cotton	resigned 31.12.13
Mr D L Davies	
Mr L R C Edwards	
Mrs M M Hall	
Mr M P King	appointed 1.1.14
Mr J D Leaver	appointed 6.2.13
Mr I K G Macalpine	
Mr J M Owen	
Mr M A Roach	resigned 31.12.13
Mr D J Roberts	resigned 31.12.13
Mr A R Snodgrass	
Mr W J Taylor	resigned 31.12.13
Mr G Trehane	
Mr W Westacott	appointed 1.1.14
Mr W H Whiteford	
Mr A A Wielkopolski	

**President**

Prof D Leaver

**Chairman**

Mr I K G Macalpine

**Vice Chairman**

Mr D L Davies

**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 2013**

**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 four 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 2013**

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 Livestock Event 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 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 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 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 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 2013**

**Objectives and Activities (continued)**

To achieve the charitable aims of the association by meeting the following objectives:

1. To exceed the budgeted surplus of £4,720 in 2013, as agreed by Council.

The Association made a surplus of £30,590 against a budgeted surplus of £4,720, mainly due to a substantial increase in realised and unrealised gains on investments of £140,158.

On ordinary activities there was a deficit of £109,568, which can mostly be accounted for by a reduction in Livestock Event income over budget of £199,182. This resulted from the after effects of a lower than normal attendance at the 2012 event (due to weather) on 2013 exhibitor stand space bookings, lower spend by the supply trade following a very poor year for farming in 2012 and some uncertainty over the date change. Dividend income on investments was also £5,739 lower than budgeted. However the Geronimo II project which concluded in 2013 showed a substantial surplus of £37,971 over the level budgeted, and other events ie farm walks and open days showed an increased surplus of £5,710 over budget. Total expenditure for the Association was £10,835 below budget with savings made in both Dairy House and Livestock Event costs.

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 farm walks and open days during 2013. However despite this, membership numbers fell by 62 to 927, in a year when UK dairy farmer numbers fell by 388. The necessity to become a member to show cattle at the Livestock Event was removed to encourage stall bookings. This accounted for at least a third of the fall in membership, the remainder being due to those ceasing dairy farming. Corporate member numbers fell by 6 to 27.

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

The Association's Chairman attended numerous meetings during 2013 to represent the interests of dairy farmers and the views of the Association. The Association's Policy Director also responded to all relevant consultations on behalf of its members.

4. Complete a successful transition of the Livestock Event from September to July dates.

Although stand numbers were lower in 2013 than the record year of 2012, visitor attendance increased by 10% and the Association had a record first day with over 9,000. Feedback from the visitor survey was very positive with 88% planning to attend the 2014 Event, up 5% on the previous year. Moving livestock in to the main trade halls was very well received by cattle exhibitors who rated the facilities the best on the show circuit. The Ayrshire and Brown Swiss Breeds more than doubled their stall bookings whilst the inaugural National Charolais Show was well supported by the breed with a planned increase in stalling for 2014. The free coach service from auction marts also proved popular and will be extended for 2014.

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**REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2013**

**Objectives and Activities (continued)**

5. Continue to build a database and introduce visitor registration systems which record a minimum of 50% of email addresses to enable future contact and pre event promotion.

92% of visitors were happy with the new registration system introduced for the first time at the event in 2013 but less than 50% of email addresses were recorded. The whole registration system is being reviewed to improve data collection and reduce administration by outsourcing to another company in 2014.

6. 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.

Work continues to improve the integration of Phoenix and Sage. Management Accounts for RABDF and RABDF Events Ltd were made available to staff to help manage the two companies.

7. Increase Event stand space income by £35K to £946K.

Stand space sales were down by £118,806 on the previous year due to the lower visitor attendance in 2012 (resulting from the fine weather during event week) affecting exhibitor confidence for 2013, coupled with a reduction in spending by the supply trade following a very poor year for farm incomes in 2012.

8. Increase net ticket sales income by £47K to £156K.

Although ticket sales were up 11% on the previous year they were £34k below budget. Some of this can be accounted for by a quieter than normal second day which was partly down to good weather and less free coaches running. Following the results of the visitor survey, plans are in place to introduce more livestock to the event and widen its attraction to beef and sheep farmers but still retain the dairy audience by introducing new dairy focused features.

9. Maintain investment capital and dividend income.

Dividend income and interest earned was down on the previous year and fell short of budget by £5,739. The association has instructed its investment managers, Barclays Wealth, to change the investment portfolio so that these budgeted figures can be more reliably obtained in future. However the Association had realised and unrealised gains on its investments totalling £140,158 during the year.

10. Prepare a business plan for a new RABDF income generator for 2014.

The Association's Chief Executive prepared and submitted a detailed bid for grant funding from the Dairy Fund, which was established to encourage collaboration in the dairy sector in England. An outline application was made in February 2013 and a full application in July 2013. The Association's bid was successful with RABDF securing grant funding totalling £321K for its "Foundation For Collaboration Project" which is budgeted to cost £392K in total. Promar International has been appointed the key service provider.

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**REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2013**

**Objectives and Activities (continued)**

11. 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.

A major conference on the Geronimo II Project was held in July at The NEC, Birmingham to which European policy makers and all partners involved with the project were invited. The project was finally concluded in September.

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 2013

The Association continues to benefit from strong support from the supply industry.

Surveys conducted with exhibitors after the 2013 Event showed that 79% were happy with the number of enquiries received, up 12% on the previous year and 91% were satisfied with the quality of enquiries which is the same as in 2012.

90% of visitors rate the Livestock Event as good to excellent and 89% found the products they were looking for.

Moving the event from September to July has therefore benefitted both exhibitors and visitors.

The vast majority, 77% 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

Four farm walks were organised by RABDF in 2013 starting with the Milking Grass for Profit Farm Walks in April, one was held near Sevenoaks in Kent and the other in Skipton, N Yorkshire. These were both organised in association with the British Grassland Society and DairyCo, and were again extremely popular.

Building on a successful 2012, we continued our National Youngstock Farm Walks with two held in the autumn of 2013. One was held at Leominster, Herefordshire and the other near Taunton in Somerset. Both were well attended.

Open Days

A major open day organised by RABDF in conjunction with NMR and hosted by the Miller Family was held near Evesham on 30<sup>th</sup> May to celebrate the Miller Family winning the 2013 RABDF / NMR Gold Cup Award. An elite sale was held after the event and the fine weather attracted a record crowd. This was a very successful day, attracting more than 1,100 visitors who were able to pick up some useful tips from the presentations and tour of the farm.

In August an open day was held on Thomas Steele's farm near Kirkcubbin, N. Ireland.

This was held to celebrate Thomas winning the Farmers Weekly Dairy Farmer of the Year Award in 2012. Again a tremendous crowd of over 500 visitors enjoyed the day at one of, if not the largest gatherings of dairy farmers on farm in N Ireland in 2013.

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**REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2013**

**Objectives and Activities (continued)**

College Lecturer Training

Twenty delegates representing ten agricultural colleges located throughout the UK were brought up to speed with the latest developments in the dairy sector at the 2013 annual college lecturers' day hosted by Cannington Bridgwater College in Somerset. 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.

Forage Field

A new soils conference was organised by RABDF in conjunction with the British Grassland Society and held at Stoneleigh Park. This event attracted over 90 delegates, both farmers and consultants and was generally well received.

Fresh Start National Dairy Academy

RABDF continued to provide managerial and secretarial support free of charge to Fresh Start to assist with the establishment and running of the National Dairy Academies. 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. A further two academies at Cannington and Gelli Aur Colleges were well attended, with the latter over-subscribed. Plans are in place to introduce a new improved scheme for 2014 working with NFU, Dairy Co and Andersons which will also include mentoring and be administered by RABDF.

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.

Following various activities and meetings during 2013 including a conference in Birmingham hosted by RABDF, the Geronimo II Project was concluded in 2013.

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.



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**REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2013**

**Objectives and Activities (continued)**

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 monthly basis.

With the departure of the Event Manager, a new Events Director was appointed in 2013. The reporting structure of the organisation has also been changed and monthly management meetings are now held. The minutes of these meetings are circulated to employees who are also 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, after gains on investments, of £30,590 compared with a surplus of £74,583 in 2012.

The Association's funds at 31st December 2013 stood at £1,204,399 compared with £1,173,809 at 31st December 2012.

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 Livestock 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 2013 the Association held free reserves amounting to £1,204,399.

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

**REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2013**

**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 organising the "Entrepreneurs in Dairying" Courses.
- 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.
- Using the Dairy Fund to bring together English Dairy Farmers interested in collaboration.

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.
- Continue to build a database and introduce visitor registration systems which record a minimum of 50% of email addresses to enable future contact and pre event promotion.
- Create an Event Creation Template for each new event to improve internal processes.

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

**REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2013**

**Plans for Future Periods (continued)**

- Increase Event stand space income by raising prices and selling additional trade stands.
- Increase net ticket sales income by widening the event's appeal to beef and sheep farmers, increasing the number of coach trips and improving occupancy.
- Maintain investment capital and dividend income.
- Establish 8 new collaborative structures of 15 farmers each and assist an additional 120 farmers to collaborate.
- Train and mentor a minimum of 45 candidates through the Entrepreneurs in Dairying Scheme.
- Prepare a business plan for a new RABDF income generator for 2015.

**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**  
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**REPORT OF THE COUNCIL FOR THE YEAR ENDED 31st DECEMBER 2013**

**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**

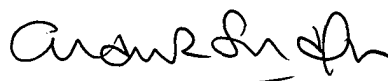
So far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of 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 28th May 2014 and signed on its behalf by:



Mr D L Davies - Vice- chairman (Acting 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 2013 on pages 14 to 24. 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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 and to identify any information that is apparently materially incorrect based on, or materially consistent with, the knowledge acquired by us in the course of performing the audit. 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 Group's and the Association's affairs as at 31st December 2013, 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,  
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006,  
One Eastwood,  
Harry Weston Road,  
Binley Business Park,  
Coventry,  
CV3 2UB

29th May 2014

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31st DECEMBER 2013**

	<b>Unrestricted funds</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>INCOMING RESOURCES</b>		
<b>Voluntary income</b>		
Donations	189	298
<b>Activities to generate funds</b>		
Investment income and interest earned	29,361	29,632
<b>Charitable activities</b>		
Membership subscriptions	42,290	50,740
Conference, events and awards	1,132,214	1,269,944
European projects	79,247	25,029
<b>Total incoming resources</b>	<u>1,283,301</u>	<u>1,375,643</u>
<b>RESOURCES EXPENDED</b>		
<b>Costs of generating funds</b>		
Investment brokers fees	5,356	5,519
<b>Charitable activities</b>		
Membership costs	6,851	11,615
Conference, events and awards	996,363	1,041,653
Public relations and marketing	5,481	4,693
Policy adviser's remuneration/expenses	11,365	12,070
European projects	41,276	29,241
<b>Support costs</b>		
Staff salaries, national insurance and pensions	194,864	175,144
Chief executive costs	9,976	9,599
Property costs	29,292	27,782
Administration costs	49,248	26,917
Bank charges and interest	1,821	952
Miscellaneous	1,569	1,473
Legal and professional	3,100	6,063
Exchange rate fluctuation	58	79
Depreciation	7,156	6,572
<b>Governance costs</b>		
Audit and accountancy	12,155	11,242
Council members' expenses and meeting costs	16,938	15,315
<b>Total resources expended</b>	<u>1,392,869</u>	<u>1,385,929</u>

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31st DECEMBER 2013**

	Note	Unrestricted funds 2013 £	2012 £
<b>Incoming resources</b>	1.	1,283,301	1,375,643
<b>Resources expended</b>		<u>1,392,869</u>	<u>1,385,929</u>
<b>Net (outgoing) resources</b>		(109,568)	(10,286)
Realised gains on investments		<u>16,313</u>	<u>13,657</u>
<b>Surplus / (deficit) for the year</b>		(93,255)	3,371
Unrealised gains on investments		<u>123,845</u>	<u>71,212</u>
<b>Net movement in funds</b>		30,590	74,583
<b>Fund balances at 1st January 2013</b>		<u>1,173,809</u>	<u>1,099,226</u>
<b>Fund balances at 31st December 2013</b>		<u>1,204,399</u>	<u>1,173,809</u>

The notes on pages 20 to 24 form an integral part of these financial statements



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

**CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER 2013**

	Note	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Investments	5.		1,116,750		1,150,923
Tangible assets	6.		<u>15,930</u>		<u>17,996</u>
			1,132,680		1,168,919
<b>Current assets</b>					
Debtors	7.	297,938		43,948	
Cash at bank and in hand		<u>95,143</u>		<u>124,665</u>	
		393,081		168,613	
<b>Current liabilities</b>					
Creditors - amounts falling due within one year	8.	<u>321,362</u>		<u>163,723</u>	
<b>Net current assets</b>			<u>71,719</u>		<u>4,890</u>
<b>Net assets</b>			<u>1,204,399</u>		<u>1,173,809</u>
Financed by:					
<b>Reserves</b>	9.		<u>1,204,399</u>		<u>1,173,809</u>

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

**CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER 2013 (continued)**

The Association is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31st December 2013.

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 May 2014 and were signed on its behalf by:



Mr D L Davies - Vice- chairman (Acting Chairman)   Mr A R Snodgrass - Hon Treasurer

The notes on pages 20 to 24 form an integral part of these financial statements.

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

**BALANCE SHEET AS AT 31st DECEMBER 2013**

	Note	2013		2012	
		£	£	£	£
<b>Fixed assets</b>					
Investments	5.		1,116,752		1,150,925
Tangible assets	6.		<u>15,930</u>		<u>17,996</u>
			1,132,682		1,168,921
<b>Current assets</b>					
Debtors	7.	102,698		43,948	
Cash at bank and in hand		<u>53,893</u>		<u>124,665</u>	
		156,591		168,613	
<b>Current liabilities</b>					
Creditors - amounts falling due within one year	8.	<u>84,874</u>		<u>163,725</u>	
<b>Net current assets</b>			<u>71,717</u>		<u>4,888</u>
<b>Net assets</b>			<u>1,204,399</u>		<u>1,173,809</u>
Financed by:					
<b>Reserves</b>	9.		<u>1,204,399</u>		<u>1,173,809</u>

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

**BALANCE SHEET AS AT 31st DECEMBER 2013 (continued)**

The Association is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31st December 2013.

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

- c) ensuring that the charitable company keeps accounting records that comply with sections 386 and 387 of the Companies Act 2006 and
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Mr D L Davies - Vice- chairman (Acting Chairman)    Mr A R Snodgrass - Hon Treasurer

The notes on pages 20 to 24 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 2013**

**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:

	<b>Rate</b>	<b>Method</b>
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 2013**

**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 £29,619 (2013 £27,167). 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.

**Related company and consolidation**

The company owns 100% of the issued ordinary share capital of RABDF Events Ltd and Farming Events Limited (both companies incorporated in the United Kingdom). The results of RABDF Events Ltd and Farming Events Limited have been consolidated with The Royal Association of British Dairy Farmers in accordance with the SORP.

**2. Net income**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
This is stated after charging / (crediting) the following:		
Depreciation of tangible fixed assets	7,156	6,572
Operating lease costs	36,610	37,010
Auditors' remuneration	3,000	2,750
Accountancy and other services	<u>9,155</u>	<u>8,492</u>

**3. Trustee remuneration and benefits**

There were no trustees' remuneration or other benefits for the year ended 31st December 2013, nor for the year ended 31st December 2012.

**Trustees' expenses**

Reimbursed travel expenses	<u>13,125</u>	<u>11,595</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 2013**

**4. Staff numbers and costs**

	2013 £	2012 £
The average weekly number of persons employed by the Association during the year was:		
Administration	<u>10</u>	<u>9</u>
Staff costs were:		
Salaries	319,598	286,071
Social security costs	34,059	32,799
Pension and insurance costs	<u>36,070</u>	<u>31,417</u>
	<u>389,727</u>	<u>350,287</u>
Number of employees with emoluments over £60,000: £80,001 - £90,000	<u>1</u>	<u>1</u>

**5. Investments**

Opening balance of investments held at 1.1.13	1,114,898	1,030,635
Purchases at cost	227,401	259,599
Sales proceeds	(366,733)	(260,205)
Realised gains / (losses) on sales	16,313	13,657
Unrealised gains / (losses) on revaluation	<u>123,845</u>	<u>71,212</u>
Closing balance of investments held at 31.12.13 (all quoted on a recognised stock exchange)	1,115,724	1,114,898
Cash held by investment managers for reinvestment	<u>1,026</u>	<u>36,025</u>
<b>The group</b>	1,116,750	1,150,923
Shares in subsidiaries	<u>2</u>	<u>2</u>
<b>The company</b>	<u>1,116,752</u>	<u>1,150,925</u>

At 31.12.2013		At 31.12.2012	
Cost	Valuation	Cost	Valuation
<u>794,579</u>	<u>1,116,752</u>	<u>917,800</u>	<u>1,150,925</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: Holding events

Class of shares: Ordinary - Holding: 100%

Aggregate capital and reserves

Profit for the year

1	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 2013**

**6. Tangible fixed assets**

The group and the company	Computer Equipment £	Office Furniture & Fittings £	Event Equipment £	Total £
<b>Cost</b>				
As at 1.1.13	56,195	40,774	13,676	110,645
Additions	<u>2,089</u>	<u>3,001</u>	<u>-</u>	<u>5,090</u>
As at 31.12.13	<u>58,284</u>	<u>43,775</u>	<u>13,676</u>	<u>115,735</u>
<b>Depreciation</b>				
As at 1.1.13	51,350	38,564	2,735	92,649
Provision for the year	<u>3,119</u>	<u>1,302</u>	<u>2,735</u>	<u>7,156</u>
As at 31.12.13	<u>54,469</u>	<u>39,866</u>	<u>5,470</u>	<u>99,805</u>
<b>Net book value</b>				
As at 31.12.13	<u>3,815</u>	<u>3,909</u>	<u>8,206</u>	<u>15,930</u>
As at 31.12.12	<u>4,845</u>	<u>2,210</u>	<u>10,941</u>	<u>17,996</u>

The Association's challenge cups are not included in the tangible fixed assets. They were professionally valued at £161,140 on 21st October 2012.

**7. Debtors**

	2013		2012	
	The group £	The company £	The group £	The company £
Trade debtors	219,827	46,329	11,775	11,775
Prepayments	28,705	10,375	28,361	28,361
Value added tax	46,407	42,995	-	-
Other debtors	<u>2,999</u>	<u>2,999</u>	<u>3,812</u>	<u>3,812</u>
	<u>297,938</u>	<u>102,698</u>	<u>43,948</u>	<u>43,948</u>

**8. Creditors: amounts falling due within one year**

Trade creditors	16,329	7,688	106,920	106,920
Income received in advance	279,999	16,409	25,184	25,184
Social security	9,465	9,465	9,871	9,871
Value added tax	-	-	12,064	12,064
Amounts owed to group company	-	39,241	-	-
Other creditors and accruals	<u>15,569</u>	<u>12,071</u>	<u>9,684</u>	<u>9,686</u>
	<u>321,362</u>	<u>84,874</u>	<u>163,723</u>	<u>163,725</u>

**9. Funds**

All funds are unrestricted.



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st DECEMBER 2013**

**10. Operating lease commitments**

The company has the following payments committed to be paid within one year:

	2013 £	2012 £
Expiring:		
Within one year	-	548
Between one and five years	<u>20,449</u>	<u>20,449</u>

**11. Related company and consolidation**

The company owns 100% of the issued ordinary share capital of RABDF Events Ltd (incorporated in the United Kingdom) which caters for events.

Its trading results for the year, as extracted from the accounts, are summarised below:

Turnover	1,066,053	-
Cost of sales	<u>726,478</u>	-
Gross profit	339,575	-
Administrative expenses	<u>300,601</u>	-
Net income for the year	38,974	-
Gift aid donation	<u>38,974</u>	-
Net income before and after tax	-	-
Reserves brought forward	<u>1</u>	<u>1</u>
Reserves carried forward	<u>1</u>	<u>1</u>

The company has taken advantage of Section 479 of the Companies Act 2006, not to have its accounts audited.

**12. Parent company results**

The results for the year, as extracted from the accounts, are summarised below:

Incoming resources	510,281	1,375,643
Gift aid donation	<u>38,974</u>	-
Total incoming resources	549,255	1,375,643
Resources expended	<u>658,823</u>	<u>1,385,929</u>
Net incoming / (outgoing) resources	(109,568)	(10,286)
Gains / (losses) on investment assets:		
Realised	16,313	13,657
Unrealised	<u>123,845</u>	<u>71,212</u>
Net movement in funds	30,590	74,583
Fund balance brought forward	<u>1,173,809</u>	<u>1,099,226</u>
Fund balance carried forward	<u>1,204,399</u>	<u>1,173,809</u>