

Charity Registration No. 249255 (England and Wales)

Charity Registration No. SCO42853 (Scotland)

Company Registration No. 00037818 (England and Wales)

**NATIONAL SHEEP ASSOCIATION**  
**TRUSTEES' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

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# NATIONAL SHEEP ASSOCIATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Honorary President

The Duke of Montrose

### Trustees

Mr John Geldard	Chair
Mr David Croston	Honorary Treasurer
Mr Robert Blanden	South East Region
Mr Michael Credland	Marches Region
Mrs Margaret Dalton	Wales Region
Mr Andrew Foulds	Eastern Region
Mr Robert Jordan	South West Region
Mrs Sybil MacPherson	Scottish Region
Mr Robert Payne	Central Region
Mr David Pittendreigh	Wales Region
Mr Timothy Ward	Wales Region
Mr Samuel Wharry	Northern Ireland Region

### Chief Executive

Mr Philip Stocker

### Charity number (England & Wales)

249255

### Charity number (Scotland)

SC042853

### Company number

00037818

### Registered office

The Sheep Centre  
Blackmore Park Road  
Malvern  
Worcestershire  
WR13 6PH

### Auditors

Kendall Wadley LLP  
Granta Lodge  
71 Graham Road  
Malvern  
Worcestershire  
WR14 2JS

### Bankers

Lloyds TSB Bank Plc  
48 Belle Vue Terrace  
Malvern  
Worcestershire  
WR14 4QG

### Solicitors

Burges Salmon  
1 Glass Wharf  
Bristol  
BS2 0ZX

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# **NATIONAL SHEEP ASSOCIATION**

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# **NATIONAL SHEEP ASSOCIATION**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2012**

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The trustees are pleased to present their report and accounts for the year ended 31 December 2012

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association dated 21st December 1892 as amended (replaced on 1st January 2012), the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005

#### **Executive summary**

2012 saw the introduction of significant changes in NSA's constitution, which required the formation of a new Management Board of Trustees/Directors, Finance and General Purposes Committee, UK Policy and Technical Committee, and English Committee. These groups worked alongside existing regional devolved nation committees, regional English committees and ram sale committees, and have ensured effective grass roots contact and influence as well as clear responsibility and decision making. The Association is proud of the flow of information to and from grass roots members, which is essential in ensuring we both serve our members and truly represent the sheep sector in the work we do with governments, NGOs and others. Our new structure has allowed us to continue working positively in partnership with many allied organisations (listed below) and also further strengthen relationships with the farming unions, animal welfare organisations and others.

The Association's work would be impossible without its dedicated staff, but also the voluntary help given by so many people. The Trustees take this opportunity to record their sincere thanks to all who have contributed in any way to the Association and the sheep industry during the year. The NSA would not be able to function without the help of NSA members who give up their time and knowledge, free of charge, for the benefit of their fellow sheep farmers. We are very grateful for this.

The level of free reserves held by the Association at the year end of 2012 amounted to £903,001 (2011 - £830,660) of which £654,464 (2011 - £583,853) was represented by cash. This growth of free reserves was entirely due to the success of regional events and ram sales, whilst income from members remained stable. There are also restricted funds of £2,121 (2011 - £15,624).

Philip Stocker  
NSA Chief Executive

# NATIONAL SHEEP ASSOCIATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2012

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#### Structure, governance and management

##### Governing document

During 2012 The National Sheep Association was a company limited by guarantee governed by its Memorandum and Articles of Association dated 21st December 1892 and most recently amended at the start of 2012 to allow for current governance. NSA is registered as a Private Company Limited by Guarantee without share capital and is a Registered Charity. In the event of the association being wound up members may be required to contribute a sum not exceeding one pound.

##### Trustees

The trustees, who are also the directors for the purpose of company law, who served during the year were

Mr John Geldard	(Appointed 1 January 2012)
Mr David Croston	
Mr Robert Blanden	(Appointed 1 January 2012)
Mr Michael Credland	(Appointed 1 January 2012)
Mrs Margaret Dalton	(Appointed 1 January 2012)
Mr Andrew Foulds	(Appointed 1 January 2012)
Mr R. Jordan	(Appointed 1 January 2012)
Mr Geoffrey Lawn	(Appointed 1 January 2012 and resigned 25 February 2013)
Mrs Sybil MacPherson	(Appointed 1 January 2012)
Mr Robert Payne	(Appointed 1 January 2012)
Mr David Pittendreich	(Appointed 1 January 2012)
Mr James Sinclair	(Appointed 1 January 2012 and resigned 2 March 2013)
Mr Timothy Ward	(Appointed 1 January 2012)
Mr Samuel Wharry	(Appointed 1 January 2012)
Mr Jonathan Barber	(Resigned 1 January 2012)

The Directors of the Association are Charity Trustees for the purposes of Charity Law and as required by the Articles of Association, the Board of Directors is composed as follows

- 1 Director as nominated by each of the 6 NSA English regions
- 3 Directors as nominated by the NSA Cymru/Wales region
- 2 Directors as nominated by the Scottish region
- 1 Director as nominated by the NSA Northern Ireland region
- 1 Director to act as Treasurer as elected at the Annual General Meeting each year
- 1 Director as elected by the Board of Directors to act as Chairman of the Directors (subject to the provisions of article 43)

The Directors confirm that they have adhered to section six of the NSA's Articles regarding income and property and the entitlements of its Trustees/Directors

##### Organisation

The Board of Directors administers the charity. During the year the Board held four meetings. Additionally there were sub committees covering Finance and General Purposes and UK Policy and Technical. Each committee has terms of reference and a rota for re-election of members. Each of the devolved nations has their own committees. A Chief Executive is appointed by the Directors to manage day to day operations.

# NATIONAL SHEEP ASSOCIATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2012

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**Management and Staff** NSA headquarters remains at Malvern. Phil Stocker continued as NSA Chief Executive in 2012. Dyana Webb resigned from the post of Communications Manager in July and Joanne Pugh commenced in September as Senior Communications Officer. A new 12-month post was created in 2012 to assist in the drive to increase membership and Charlotte Underwood was appointed in July as Membership Recruitment Officer. Other NSA staffing is Julie Jennings as Personal Assistant to the Chief Executive, Gill Callow as Membership Secretary and Helen Davies as Sponsorship and Corporate Manager. Various self-employed people are used to help at shows, meetings and events and in the delivery of policy work around the devolved parts of the UK. A firm has been contracted to provide an appropriately qualified individual to come to NSA head office to oversee accounts and financial reporting.

**NSA Regions and Representation** A considerable part of the effectiveness of the Association comes from the regional structure, which results in a substantial volume of voluntary activity and facilitates communication between groups of sheep farmers in the different areas of the UK and the headquarters team. There are nine regions (Scotland, Wales, Northern Ireland and six regions in England) and this facilitates a constant flow of up-to-date information, which is transmitted to governments and used in specialist debates, as well as providing channels through which key messages can be sent. The devolved governments in Scotland, Wales and Northern Ireland and continued movement towards devolved implementation of many regulatory issues meant NSA representation in these areas continued to be vitally important. Meanwhile the head office at Malvern retained a constant dialogue with Defra and the government agencies in England. Increasingly in 2012 our six English regions saw the value of the NSA English Committee in ensuring views were heard at an English level.

**Breed Society Forum** A Breed Society Forum was held at the Royal Agricultural College on the day before the AGM in August and was attended by over 60 people representing 24 breed societies and associated organisations. Discussion subjects included views from breed societies of current issues including domestic and global markets, breeding, disease and the NSA/RBST Ovine Semen Archive.

**Membership Trends** At the end of 2012 the Association had 6,115 members and 83 affiliated breed societies. This included 393 new members and reflects a particularly positive recruitment campaign at the 2012 Sheep Event and NSA South Sheep. The expansion of the NSA team to include a Membership Recruitment Officer in late 2012 will allow the Association to build on this recruitment of new members at the gate of sheep events, as well as exploring other membership promotion opportunities. In 2012 there were 459 members who did not renew their membership, which is a similar number to the two previous years and overall indicates a much less changeable membership level. While a shrinking UK sheep sector means many of these cancellations are inevitable, this figure also underlines that membership retention is as important as recruitment.

**Gift Aid** Gift Aid continued to be promoted at every opportunity through 2012 and was particularly successful at NSA events. It continues to provide a significant income within the rules relating to the value of benefits than can be given to members. Given the complexity of Gift Aid, a meeting was held with Burges Salmon for advice on claims.

#### Related parties

The Charity communicated regularly with many organisations, some of which are allied to the sheep industry and others whose activities affect it. There is a formal partnership with the Moredun Foundation, whereby all NSA members are automatically Moredun Associate Members and receive all Moredun information. The Association continued to sit on the Red Tractor Assurance TAC and Board and is also involved in Freedom Foods Standards. NSA also reached a new agreement relating to closer working relationships with the Campaign for Wool.

#### Risk review and management

The Directors confirmed that the major risks to which the Charity is exposed have been regularly reviewed and systems have been established to mitigate those risks.

#### Statement of compliance with Charity Commission guidance

The Trustees confirmed that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charities Commission's general guidance on public benefit, 'Charities and Public Benefit'.

# **NATIONAL SHEEP ASSOCIATION**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

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### **Objectives and activities**

#### Summary of objectives

The NSA's Articles state the objective for the Association as such "To encourage and improve breeding, management and promotion of sheep as a species and as an activity in the United Kingdom and elsewhere in pursuit of advancing education, health, heritage, science, environmental protection and improvement and animal welfare for the public benefit "

There have been no material changes in the Association's pursuance of these objectives, in that NSA takes a broad interpretation of 'promotion of the activity' to encompass the setting up of private and public dialogue with organisations whose vested interests might affect beneficially or adversely the sheep industry. To this extent it engages in communication with representatives from various sectors including sheep health, welfare, genetic development, conservation and the environment and supply chains. It is also involved on a regular basis in informing Government and non-Governmental organisations of the effect of their policies on the sheep sector. We promote the principle of a supportive policy and regulatory regime that will allow the industry to thrive and sheep and sheep farming to continue to provide benefits to the environment, local economies and rural infrastructure. NSA also encourages sheep farmers to improve the breeding and management of their sheep, as recommended by current related bodies. Education of young people involved or interested in sheep farming remains key to NSA's activities too.

#### Explanation of aims

A significant focus for the Association in pursuing its objectives in 2012 was CAP reform, with NSA highlighting CAP's influence on sheep farming and promoting opportunities for it to support the aims of the NSA in improving sheep health and vigour. Talks increased with Defra officials, devolved national departments, and various Government Ministers on the relationship between sheep and the environment, both in relation to CAP reform and perceptions that sheep play a negative role in greenhouse gas emissions. Efforts continued to raise awareness of the effects of legislation regarding the electronic identification and movement recording of sheep in UK and the case was made that legislation should be proportionate to risk, practical and affordable to producers. The spread of SBV was monitored and the registration process for a vaccine followed and assisted. Internal sheep parasites were another key focus, particularly liver fluke and anthelmintic resistance.

#### Explanation of main objectives for the year

To achieve its objectives, it is vital that NSA continues to grow membership to increase engagement and assist with communicating messages, disseminate information to sheep farmers, consult with members to gain a broad view of opinion, and compile a considered view to convey sheep industry views to appropriate bodies and the public.

# NATIONAL SHEEP ASSOCIATION

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2012**

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### **Achievements and performance: Policy Areas**

**Environmental Issues** The Association launched the 'The Complementary Role of Sheep in Less Favoured Areas' report in England and Scotland and presented it in NI and Wales. The report highlights the many landscape and environmental benefits of good sheep farming in LFA and upland regions, and has been influential in informing the debate on this subject.

**Common Land** NSA strove to strengthen connections with organisations involved in commons management, including the Welsh Commons Forum, Foundation for Common Land and Defra National Common Land Stakeholder Group.

**Agri-Environment** The design of the next generation of schemes will happen through CAP reform and the review of the RDP. NSA proactively fed into this process during 2012 and started to engage with proposals to change LFA and SDA areas to Areas of Natural Constraint (ANCs). We also formulated our position on future schemes and eligibility and set our stance as one in favour of a more practical, adaptable and holistic approach than previous schemes. Greening proposals will affect future schemes and the uplands are critical in ensuring a positive outcome.

**Food Security Debate** Acceptance increased that land use and policies must change to deliver growing food security needs, as well as climate change targets and resource use. The Association built on its work to use this situation as the basis for many policy positions. The extreme weather conditions of 2012 led to production problems in all sectors and this added weight to the fact that our food production systems are in a precarious state.

**EID and Movement Recording** NSA continued to raise the importance of tolerance in movement recording regulations, while also disseminating information on the changes introduced to the regulations at the start of the year. NSA participated in Defra's Livestock Core Information Group and Welsh Government's Livestock Information Group over the statutory introduction of sheep movement database(s), aiming to ensure such a database(s) was suitable for purpose and could communicate with similar infrastructure in Scotland and NI. In Scotland NSA were influential in initiating a research study to assess the disease risks of sheep not being tagged until leaving the holding of birth.

**Trade** The Association continues to support the work of all UK levy bodies involved in promoting and marketing lamb, and developing new and emerging markets. This work, coupled with the healthy balance of market opportunities, gives stability to the sector and raises prices. The demand for UK breeding stock is also important and NSA continued to support trade with mainland Europe by booking passage on P&O Ferry crossings from Dover on behalf of breeders exporting breeding sheep.

### **Achievements and performance: Sheep Health and Welfare**

Topics worked on during the year included sheep health planning, endo and ecto parasite control, sheep scab, lameness, Schmallenberg, maedi visna and sheep worrying by dogs. The Association also worked with SHAWG and partners to deliver a major conference on the subject of sheep health and welfare, and at this conference we launched a proposal for a new RDP-type scheme to incentivise and encourage good health and welfare practices. NSA was drawn into the issue of poor welfare incidents at Ramsgate port, relating to live exports of lambs, and called for increased surveillance and better enforcement of the regulations relating to welfare in transport.

**NSA Ram Sales** Four very successful ram sales were organized in 2012, each one unique but all promoting breed and health improvement. The inspection procedure, first instigated by the NSA Wales & Border Ram Sale, ensures quality is maintained and buyers can bid with confidence.

**Ovine Semen Archive** The NSA/RBST Ovine Semen Archive continued to store semen on behalf of breed societies and individual breeders. Internal and external meetings were held to discuss the future of the archive in the light of changing priorities related to scrapie.



# **NATIONAL SHEEP ASSOCIATION**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2012**

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#### **Achievements and performance NSA Initiatives and Awards**

**Young People & Sheep** Launched at the 2012 Sheep Event, the aims of this new initiative include -

- Facilitating further debate on the opportunities and barriers that exists,
- Increasing communication and understanding between potential and existing young entrants and those who have been in the business for a long time,
- Providing guidance and support for young entrants, through mentoring, provision of appropriate contacts, training, CPD, work experience and access to organisations and companies that can help and support them,
- Raising the profile of the sector as a viable opportunity amongst careers advisors at colleges

The initiative attracted support from major companies and organisations in the sheep sector, who have committed a variety of appropriate opportunities and training. NSA intends this to be a long-term project and so work will continue into 2013 and beyond to drive this forward.

Also to encourage young people in the sheep sector, and in recognition that many young people are successful in gaining employment without remaining in full-time education, NSA made plans to amend the current 'Student' membership package from 1st January 2013 to a 'Under 27' category. This continues to be offered at half the price of standard individual membership.

**The George Hedley Memorial Award** The winner of the 2012 NSA George Hedley Memorial Award was His Royal Highness The Prince of Wales in recognition of his support for sheep farming.

#### **Achievements and performance. Communication and Publicity**

Communication outside of NSA was successful in 2012 with the Association raising its profile and gaining a significant amount of coverage in the farming press and media. Communication within NSA saw Sheep Farmer magazine continue to be printed bi-monthly, and the NSA Weekly Email Update go from strength to strength in terms of both popularity (i.e. circulation numbers) and the presentation of succinct, relevant and useful content. Further development of the NSA website continued in 2012 and has resulted in much greater activity levels on the site and more information being carried. This was coupled with a greatly increased following via social media (Facebook and Twitter) and all these online communication routes attract a mix of NSA members, those involved in the sheep sector and the general public. The Association started to enter into discussions over the future production of Sheep Farmer magazine post July 2013, when the current agreement with Shepherd Publishing ends.

#### **Achievements and performance Events**

NSA Sheep 2012 was held in July at the Three Counties Showground, Malvern, attracting over 11,000 visitors and 270 exhibitors. It was opened by Professor Sir John Beddington the Government Chief Scientist and provided useful opportunities for dialogue with Nigel Gibbens, Government Chief Veterinary Officer, and members of the Animal Health and Welfare Board for England.

There were three other specialist NSA sheep events held in 2012, held by the Eastern, Scottish and South East Region. These were all extremely successful events creating an opportunity for members to support their regions and for the wider sheep industry to come together in a learning experience. There were increased numbers of meetings, farm walks and/or discussion evenings in most other regions. The 2011 AGM was held in August at the Royal Agricultural College and was followed by a farm walk on the Duchy Home Farm.

NSA also had a presence at many shows and events, either with specially organised stands or the Carcase Display Units.

# NATIONAL SHEEP ASSOCIATION

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2012**

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### Financial review

#### Reserves

The level of free reserves held by the Association at the year end of 2012 amounted to £903,001 (2011 £830,660) of which £654,464 (2011 £583,853) was represented by cash. The majority of this is held in the NSA Regions and Ram Sales accounts and is the equivalent of approximately 21 months of expenditure (not including expenses directly associated with the events). Reserves held in head office are sufficient to cover one month's salary costs and this is felt to be sufficient as the major costs incurred here are covered by the subscriptions income which is relatively secure. The Trustees believe that ideally the reserves should be equivalent to 24 months of expenditure as this is the period between the major fund raising events where the income is generated. However, they are mindful of problems in the industry over previous years and, therefore, the ideal level will not be attained quickly. The Trustees are comfortable that the overall level of free reserves is appropriate to the Association's circumstances at present. The Trustees feel that the current level of reserves are appropriate for the current work of the Association - this to include headquarters work, regional activities and ram sales. However, while the regional and ram sales accounts continue to grow, this year saw a negative flow of funds from headquarters of £56,754, as activity levels were increased and some investments in the Malvern site were made, in order to increase operating efficiencies and create future opportunities for an income stream from the property. In addition the Association holds restricted funds of £2,121 (2011 - £15,624).

The Trustees feel that the most appropriate investment for the liquid assets of the Association is to use a deposit account in order to ensure accessibility.

#### Principal funding sources

The principal funding source continues to be from subscriptions paid by individual members of the Association. Breed society affiliation fees, breed society exhibits at NSA sheep centres at specific shows, sponsorship and (increasingly) Gift Aid are all important sources of income. In addition to this, virtually all regions now hold regional events where payment is received from breed societies, trade stands and sheep farmers attending the events. Another source of income and service to members is the coordination of ram sales.

A high proportion of the expenditure of the Association is linked to communicating with members to inform them and to ascertain their views on numerous subjects regarding sheep farming and then conveying a considered perspective to the relevant, appropriate body or society in general.

# **NATIONAL SHEEP ASSOCIATION**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

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### **Auditors**

A resolution proposing that Kendall Wadley LLP be reappointed as auditors of the company will be put to the members at the Annual General Meeting

### **Disclosure of information to auditors**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

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

On behalf of the board of trustees

  
**Mr John Geldard**

Trustee & Chairman of Management Board of Trustees

Dated 1 August 2013



**Mr David Croston**

Trustee & Honorary Treasurer

Dated 1 August 2013

# **NATIONAL SHEEP ASSOCIATION**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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The trustees, who are also the directors of National Sheep Association for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year

In preparing these accounts, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

# **NATIONAL SHEEP ASSOCIATION**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE TRUSTEES OF NATIONAL SHEEP ASSOCIATION**

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We have audited the accounts of National Sheep Association for the year ended 31 December 2012 set out on pages 12 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and section 144 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity 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 auditors**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of accounts which give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Act 2011 rather than also with the Companies Act 2006. Accordingly we have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act and under section 144 of the Charities Act 2011 and report in accordance with those Acts.

Our responsibility is to audit and express an opinion on the accounts 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 accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity'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 accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts**

In our opinion the accounts

- give a true and fair view of the state of the charity's affairs as at 31 December 2012 and of its incoming resources and application of resources, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

# NATIONAL SHEEP ASSOCIATION

## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE TRUSTEES OF NATIONAL SHEEP ASSOCIATION

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### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 requires us to report to you if, in our opinion

- the information given in the Trustees' Report is inconsistent in any material respect with the accounts, or
- proper accounting records have not been kept, or
- the accounts are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit



Timothy Calder ACA (Senior Statutory Auditor)  
for and on behalf of Kendall Wadley LLP

Chartered Accountants  
Statutory Auditor

Granta Lodge  
71 Graham Road  
Malvern  
Worcestershire  
WR14 2JS

Dated 1 August 2013

Kendall Wadley LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# NATIONAL SHEEP ASSOCIATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Head office activity / Unrestricted funds £	Regions and ram sales / Designated funds £	Other activities / Restricted funds £	Total 2012 £	Total 2011 £
<b><u>Incoming resources from generated funds</u></b>						
Donations and legacies	2	27,548	-	15,000	42,548	73,419
Subscriptions received		299,437	-	-	299,437	306,330
Activities for generating funds	3	-	399,428	-	399,428	307,786
Investment income	4	257	2,279	-	2,536	2,046
		327,242	401,707	15,000	743,949	689,581
Incoming resources from charitable activities	5	28,355	193,929	-	222,284	214,847
Other incoming resources	6	10,658	9,034	-	19,692	22,142
<b>Total incoming resources</b>		<b>366,255</b>	<b>604,670</b>	<b>15,000</b>	<b>985,925</b>	<b>926,570</b>
<b><u>Resources expended</u></b>						
<b>Costs of generating funds</b>						
Costs of generating donations		82,228	6,826	-	89,054	79,224
Activities for generating funds	3	892	219,525	-	220,417	193,984
		83,120	226,351	-	309,471	273,208
<b>Net incoming resources available</b>		<b>283,135</b>	<b>378,319</b>	<b>15,000</b>	<b>676,454</b>	<b>653,362</b>
<b>Charitable activities</b>						
Breeding improvements		-	133,798	-	133,798	125,322
Education and promotion		252,361	154,221	18,469	425,051	392,499
Membership services and enquires		16,616	1,748	-	18,364	16,006
Foundation for Common Land		-	-	10,034	10,034	24,521
<b>Total charitable expenditure</b>		<b>268,977</b>	<b>289,767</b>	<b>28,503</b>	<b>587,247</b>	<b>558,348</b>
Governance costs		27,070	3,299	-	30,369	27,593
<b>Total resources expended</b>		<b>379,167</b>	<b>519,417</b>	<b>28,503</b>	<b>927,087</b>	<b>859,149</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(12,912)</b>	<b>85,253</b>	<b>(13,503)</b>	<b>58,838</b>	<b>67,421</b>
Gross transfers between funds	14	(43,842)	43,842	-	-	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(56,754)</b>	<b>129,095</b>	<b>(13,503)</b>	<b>58,838</b>	<b>67,421</b>
Fund balances at 1 January 2012		376,116	454,544	15,624	846,284	778,863
<b>Fund balances at 31 December 2012</b>		<b>319,362</b>	<b>583,639</b>	<b>2,121</b>	<b>905,122</b>	<b>846,284</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
<b>Fixed assets</b>					
Tangible assets	15		353,493		361,129
<b>Current assets</b>					
Stocks	16	4,018		2,075	
Debtors falling due within one year	17	26,138		55,201	
Cash at bank and in hand	18	656,585		599,477	
		686,741		656,753	
<b>Creditors: amounts falling due within one year</b>	19	(135,112)		(171,598)	
<b>Net current assets</b>			551,629		485,155
<b>Total assets less current liabilities</b>			905,122		846,284
<b>Income funds</b>					
Restricted funds	22				
Welsh Commons Forum		1,002		1,002	
Foundation for Common Land		-		10,034	
Sustainable Control Of Parasites in Sheep		1,119		4,588	
			2,121		15,624
<b>Designated funds</b>					
Regions and ram sales	23		583,639		454,544
<b>Unrestricted funds</b>					
Head office activity			319,362		376,116
			905,122		846,284

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2012, although an audit has been carried out under section 43 of the Charities Act 1993. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 accounts, so far as applicable to the company.



# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

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The accounts were approved by the Board on 1 August 2013

Mr John Geldard  
Trustee



Mr David Croston  
Trustee



Company Registration No 00037818

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

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### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006

#### 1.2 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

Gift aid is recognised in the Statement of Financial Activities when the claim is made

Grants received to assist with specific expenditure are released to the income and expenditure account as the expenditure is incurred

Subscriptions are received by way of annual rolling subscription and are included in the Statement of Financial Activities evenly over the period of the subscription

Event income is generated from various events held throughout the year and is included in the Statement of Financial Activities when receivable

Sponsorship of events is recognised when the event being sponsored is held

Investment income is recognised on a received basis

#### 1.3 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category

Costs of generating voluntary income are those incurred in seeking voluntary income and do not include the costs of disseminating information in support of the charitable activities. They include an element of head office costs on the basis of salary percentage in relation to collecting the voluntary proportion of subscriptions

Costs of activities for generating funds relate to the costs associated with the activities of the charity that are undertaken in order to generate income for the charity

Charitable activities expenses are those expenses that relate to activities undertaken by the charity to achieve its charitable objectives

Governance costs are those incurred in meeting the charity's constitutional and statutory requirements. They include the audit fees and other costs linked to the strategic management of the charity

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. Support costs have been allocated to the headings in the SOFA on the basis of estimated staff time spent on each activity

Grants payable are charged in the year when the offer is conveyed to the recipient

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

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### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings	1% on cost
Leasehold property	5% on net book value
Fixtures and fittings	5% & 25% on cost and 10% & 15% on net book value
Computers	5%, 20% & 25% on cost
Hurdles	5% & 25% on cost
Display trailers	25% on net book value
Carcass units	20% on net book value

The charity capitalises all assets over £200 in cost

#### 1.5 Stock

Stock is valued at the lower of cost and net realisable value

#### 1.6 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

#### 1.7 Accumulated funds

Restricted funds are funds received subject to specific conditions stated by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. All regional activities have been assigned to designated funds as the Trustees have deemed that the monies raised by regional activities should be used in the region that it relates to.

#### 1.8 Taxation

The charity is exempt from corporation tax on its charitable activities.

#### 1.9 Deferred income

Subscriptions are received by way of annual rolling subscription and are included in the Statement of Financial Activities evenly over the period of the subscription. The proportion of subscription income received in the year that is deemed to relate to future accounting periods is deferred.

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

### 2 Donations and legacies

	Head office activity / Unrestricted funds £	Other activities / Restricted funds £	Total 2012 £	Total 2011 £
Donations received	1,070	-	1,070	1,236
Gift aid received	26,478	-	26,478	51,782
Grants receivable for core activities	-	15,000	15,000	20,401
	<u>27,548</u>	<u>15,000</u>	<u>42,548</u>	<u>73,419</u>

#### Grants receivable for core activities

##### Unrestricted funds

LANTRA	-	228
Three Counties Agricultural Society	-	750
	<u>-</u>	<u>978</u>

##### Restricted funds

##### Foundation For Common Land

University Of Gloucester	-	1,600
Duchy Of Cornwall	-	5,000

##### Mutton Renaissance Club (see below)

Hybu Cig Cymru	-	(3,097)
AHDB	-	3,920

##### Sustainable Control Of Parasites In Sheep

AHDA (UK) Ltd	1,500	3,000
AMTRA	1,500	3,000
NFU	1,500	3,000
NOAH	1,500	3,000
EBLEX	7,500	-
NSA	1,500	-

<u>15,000</u>	<u>19,423</u>
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##### Mutton Renaissance Club

The Mutton Renaissance Club was a committee of the National Sheep Association operating in conjunction with the Academy of Culinary Arts. However, during 2011, arrangements were made to transfer these activities to a separate organisation independent of the National Sheep Association. The residual funding held by the National Sheep Association was returned to the original donors for transfer to the new organisation.

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

### 3 Activities for generating funds

	Head office activity / Unrestricted funds	Regions and ram sales / Designated funds	Total 2012 £	Total 2011 £
<b>Income received from activities for generating funds</b>				
Regional events	-	217,257	217,257	62,631
Trade stands at regional events	-	182,171	182,171	245,155
	-	399,428	399,428	307,786
<b>Cost of activities for generating funds</b>	<b>(892)</b>	<b>(219,525)</b>	<b>(220,417)</b>	<b>(193,984)</b>
<b>Net income from activities</b>	<b>(892)</b>	<b>179,903</b>	<b>179,011</b>	<b>113,802</b>

	2012 £	2011 £
<b>Regional events</b>		
National Sheep Event	94,805	-
Scotsheep Event	75,399	-
South Sheep Event	37,197	-
Eastern Winter Fair	9,856	-
North Sheep Event	-	27,684
South West Event	-	7,245
Welsh Sheep Event	-	14,518
Northern Ireland Sheep Event	-	5,631
Central Region Winter Fair	-	2,675
VAT adjustment re 2006 shows	-	4,878

**217,257**      **62,631**

	2012 £	2011 £
<b>Trade stands at regional events</b>		
National Sheep Event	103,578	555
Scotsheep Event	68,551	66
South Sheep Event	-	122
Eastern Winter Fair	12,050	-
North Sheep Event	-	92,116
South West Event	(888)	36,109
Welsh Sheep Event	1,200	72,306
Northern Ireland Sheep Event	400	21,691
Central Region Winter Fair	(2,720)	22,190

**182,171**      **245,155**

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

### 3 Activities for generating funds

(Continued)

	2012 £	2011 £
<b>Activities for generating funds</b>		
Regional event expenses	(205,591)	(176,589)
Depreciation on fixed assets held for shows	(5,026)	(4,595)
Event manager fees	(9,800)	(12,800)
	<u>(220,417)</u>	<u>(193,984)</u>

### 4 Investment income

	Head office activity / Unrestricted funds £	Regions and ram sales / Designated funds £	Total 2012 £	Total 2011 £
Rental income	180	-	180	25
Interest receivable	77	2,279	2,356	2,021
	<u>257</u>	<u>2,279</u>	<u>2,536</u>	<u>2,046</u>

### 5 Incoming resources from charitable activities

	Head office activity / Unrestricted funds £	Regions and ram sales / Designated funds £	Total 2012 £	Total 2011 £
Ram sales	-	169,488	169,488	161,606
Royal shows	28,261	24,441	52,702	43,741
Sponsorship of non-event activities	94	-	94	9,500
	<u>28,355</u>	<u>193,929</u>	<u>222,284</u>	<u>214,847</u>

Ram sales consists of

Wales & Border	158,105	151,163
Eastern	4,331	6,123
South West	3,957	4,191
Northern Ireland	3,095	129
	<u>169,488</u>	<u>161,606</u>

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

### 6 Other incoming resources

	Head office activity / Unrestricted funds £	Regions and ram sales / Designated funds £	Total 2012 £	Total 2011 £
Non event regional activities	-	9,034	9,034	6,937
Carcass units hire	8,799	-	8,799	14,511
Promotional items	965	-	965	650
Sundry income	894	-	894	44
	<u>10,658</u>	<u>9,034</u>	<u>19,692</u>	<u>22,142</u>

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

### 7 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2012 £	Total 2011 £
<b>Costs of generating funds</b>						
Costs of generating donations	58,029	2,526	28,499	-	89,054	79,224
Activities for generating funds	-	5,026	215,391	-	220,417	193,984
<b>Total</b>	<b>58,029</b>	<b>7,552</b>	<b>243,890</b>	<b>-</b>	<b>309,471</b>	<b>273,208</b>
<b>Charitable activities</b>						
<u>Breeding improvements</u>						
Direct activities	-	-	133,798	-	133,798	125,322
<u>Education and promotion</u>						
Direct activities	-	-	278,949	-	278,949	262,026
Support costs	95,034	4,186	46,882	-	146,102	130,473
<b>Total</b>	<b>95,034</b>	<b>4,186</b>	<b>325,831</b>	<b>-</b>	<b>425,051</b>	<b>392,499</b>
<u>Membership services and enquires</u>						
Support costs	11,774	505	6,085	-	18,364	16,006
<u>Foundation for Common Land</u>						
Direct activities	-	-	107	-	107	4,687
Grants	-	-	-	9,927	9,927	19,834
<b>Total</b>	<b>-</b>	<b>-</b>	<b>107</b>	<b>9,927</b>	<b>10,034</b>	<b>24,521</b>
	<b>106,808</b>	<b>4,691</b>	<b>465,821</b>	<b>9,927</b>	<b>587,247</b>	<b>558,348</b>
<b>Governance costs</b>	<b>3,364</b>	<b>-</b>	<b>27,005</b>	<b>-</b>	<b>30,369</b>	<b>27,593</b>
	<b>168,201</b>	<b>12,243</b>	<b>736,716</b>	<b>9,927</b>	<b>927,087</b>	<b>859,149</b>

Governance costs includes fees payable to the auditors of £9,000 (2011 £8,950) for audit and accounts preparation and £2,040 (2011 £3,174) for payroll, VAT and other services

The nature of the work undertaken by individual staff traverses several categories of expenditure, therefore the following includes an element of judgement as to the percentage of time spent on each category to allocate the costs involved

Costs of generating donations	34.50%
Education and promotion	56.50%
Membership services and enquires	7.00%
Governance costs	2.00%
	<b>100.00%</b>



# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

### 8 Activities undertaken directly

	Head office activity / Unrestricted funds £	Regions and ram sales / Designated funds £	Other activities / Restricted funds £	Total 2012 £	Total 2011 £
<b>Breeding Improvements other costs</b>					
Ram sale expenses	-	133,798	-	133,798	125,322
	-	133,798	-	133,798	125,322
<b>Education And Promotion other costs</b>					
Royal shows expenses	10,547	34,396	-	44,943	26,460
Royal shows managers fees	-	2,000	-	2,000	2,000
Non event regional activities	-	17,173	-	17,173	15,471
Carcass unit costs	13,500	-	-	13,500	11,347
Costs relating to Sheep Farmer	855	-	-	855	-
Membership promotion	27,418	-	-	27,418	26,874
Travelling expenses and subsistence	37,569	17,562	-	55,131	59,544
Room hire and refreshments for meetings and conferences	10,298	14,930	-	25,228	23,054
Regional secretaries and officers fees	-	53,077	-	53,077	44,252
Awards, sponsorship and donations	1,548	4,150	-	5,698	8,044
Subscriptions to other bodies	1,184	-	-	1,184	2,588
Young Shepherds World					
Championships travel costs	-	-	-	-	9,727
Campaign For Wool	8,333	-	-	8,333	25,000
Mutton Renaissance Club	-	-	-	-	254
Sustainable Control Of Parasites in Sheep project	-	-	18,469	18,469	7,411
Farm health planning manuals	-	-	-	-	-
	117,192	143,288	18,469	278,949	262,026
<b>Welsh Commons Forum other costs</b>					
Room hire and refreshments for meetings and conferences	-	-	-	-	372
Staff travel expenses	-	-	-	-	173
Printing and adverts	-	-	107	107	2,752
Postage and stationery	-	-	-	-	606
Bank charges	-	-	-	-	25
	-	-	107	107	3,928

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

### 9 Grants payable

	2012 £	2011 £
Grants to institutions relating to Foundation for Common Land comprise		
Direct charitable exps 4 Grants to inst	9,927	19,834
	<u>9,927</u>	<u>19,834</u>

During 2011 a separate organisation for Welsh Commons Forum was set up independently of the National Sheep Association. The residual funds held by the National Sheep Association for this purpose were then transferred to the newly established Welsh Commons Forum.

During the year, all remaining funds held on behalf of the Foundation for Common Land were transferred to the Pastoral Alliance.

### 10 Support costs

	Costs Of Generating Voluntary Income £	Education & Promotion £	Membership Services & Enquires £	Total 2012 £	Total 2011 £
<b>Support costs other costs</b>					
Computer and website	3,812	6,317	762	10,891	7,712
Photocopying	1,425	2,362	285	4,072	4,067
General office expenses	7,544	12,534	1,511	21,589	4,309
Light and heat	817	1,355	163	2,335	2,945
Property repairs to head office	1,458	2,414	291	4,163	2,469
Professional fees	1,379	2,285	276	3,940	10,947
Printing and stationery	4,520	7,108	1,286	12,914	12,735
Telephone	1,880	3,114	376	5,370	6,369
Postage and delivery	982	1,629	197	2,808	7,085
Rates	1,888	3,131	378	5,397	5,061
Insurance	2,794	4,633	560	7,987	7,033
	<u>28,499</u>	<u>46,882</u>	<u>6,085</u>	<u>81,466</u>	<u>70,732</u>

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

### 11 Governance costs

	2012	2011
	£	£
Governance other costs consists of		
Audit and accountancy fees	21,732	17,794
Professional fees	1,829	1,530
Bad debts	(134)	1,027
Bank charges	2,286	2,257
Interest charged on loans for purchase of Suffolk Sheep Society building	392	1,296
	<u>27,005</u>	<u>23,904</u>

### 12 Trustees

During the year, R G Blanden (trustee) received £1,500 (2011 £nil) for secretarial duties and was reimbursed expenses of £2,582 (2011 £nil) in relation to the South East Region

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

### 13 Employees

#### Number of employees

The average weekly number of employees during the year was

	2012 Number	2011 Number
General staff	6	7
<b>Employment costs</b>	<b>2012 £</b>	<b>2011 £</b>
Wages and salaries	147,705	133,112
Social security costs	14,590	12,769
Other pension costs	5,906	4,822
	<b>168,201</b>	<b>150,703</b>

There were no employees whose annual emoluments were £60,000 or more

#### Subcontractors and honorarium

The charity also paid regional secretaries on an honorarium and subcontractor basis

	2012 Number	2011 Number	2012 £	2011 £
Regional secretaries and officers	8	9	53,077	38,674
Ram sales secretaries and officers	5	5	29,064	27,802
Regional events managers	1	1	9,800	12,800
Royal Shows events managers	1	1	2,000	2,000
Welsh Commons Forum officers reimbursements	-	-	-	-
Head office subcontractors	-	-	-	5,578
	<b>15</b>	<b>16</b>	<b>93,941</b>	<b>86,854</b>

Note that some of the secretaries and officers act for several different regions and activities. Such officers have only been counted once in the number of officers detailed above and are allocated to the regional activity that they are most associated with

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

### 14 Transfers

£

#### Transfers between Head Office and Regions & Ram Sales

Marches Region income and expenditure held/paid by Head Office	998
Head Office grants to regions for regional secretaries' fees and related costs	35,750
Head Office grants to regions to assist with Royal Highland Show	6,000
Interest charged on regional loans for the purchase of the Suffolk Sheep Society building	1,094
	<b>43,842</b>

### 15 Tangible fixed assets

	Freehold Property £	Royal Welsh Pavilion £	Fixtures And Fittings £	Computer Equipment £	Hurdles £	Display Trailers £	Carcass Unit £	Total £
<b>Cost</b>								
At 1 January 2012	363,271	40,547	48,770	72,759	81,096	25,783	25,905	658,131
Additions	-	-	1,134	474	3,000	-	-	4,608
<b>At 31 December 2012</b>	<b>363,271</b>	<b>40,547</b>	<b>49,904</b>	<b>73,233</b>	<b>84,096</b>	<b>25,783</b>	<b>25,905</b>	<b>662,739</b>
<b>Depreciation</b>								
At 1 January 2012	33,676	31,190	45,292	68,811	72,366	21,791	23,876	297,002
Charge for the year	3,633	468	1,352	1,764	4,135	486	406	12,244
<b>At 31 December 2012</b>	<b>37,309</b>	<b>31,658</b>	<b>46,644</b>	<b>70,575</b>	<b>76,501</b>	<b>22,277</b>	<b>24,282</b>	<b>309,246</b>
<b>Net book value</b>								
<b>At 31 December 2012</b>	<b>325,962</b>	<b>8,889</b>	<b>3,260</b>	<b>2,658</b>	<b>7,595</b>	<b>3,506</b>	<b>1,623</b>	<b>353,493</b>
At 31 December 2011	329,595	9,357	3,478	3,948	8,730	3,992	2,029	361,129

### 16 Stocks

2012  
£

2011  
£

Stock of books and promotional items  
Stock held in regions and ram sales

3,940  
78

1,997  
78

**4,018**

**2,075**

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

17 Debtors	2012 £	2011 £
Trade debtors	11,781	21,465
Other debtors	4,089	8,719
Prepayments and accrued income	10,268	25,017
	<u>26,138</u>	<u>55,201</u>
<b>Split of debtors between funds</b>		
At headquarters	11,441	26,051
At regions and ram sales	14,697	29,150
	<u>26,138</u>	<u>55,201</u>
 18 Cash at bank and in hand	 2012 £	 2011 £
<b>Split of cash at bank and in hand between funds</b>		
At headquarters	66,554	223,678
At regions and ram sales	590,031	365,765
At Welsh Commons Forum	-	10,034
	<u>656,585</u>	<u>599,477</u>
 19 Creditors' amounts falling due within one year	 2012 £	 2011 £
Trade creditors	31,210	27,075
Taxes and social security costs	381	-
Other creditors	1,013	42,487
Accruals	29,201	21,714
Deferred income	73,307	80,322
	<u>135,112</u>	<u>171,598</u>
<b>Split of creditors due within one year between funds</b>		
At headquarters	101,017	124,947
At regions and ram sales	34,095	46,651
	<u>135,112</u>	<u>171,598</u>

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

### 20 Deferred income

	2012 £	2011 £
Deferred income consists of		
Membership subscription income relating to next financial year	51,405	50,406
Regional event income invoiced in advance	21,902	29,916
	<u>73,307</u>	<u>80,322</u>
Total deferred income at 1 January 2012	80,322	66,908
Amounts received in year	73,307	80,322
Amounts credited to statement of financial activities	(80,322)	(66,908)
Total deferred income at 31 December 2012	<u>73,307</u>	<u>80,322</u>

### 21 Pension and other post-retirement benefit commitments

	2012 £	2011 £
Defined contribution		
Contributions payable by the company for the year	<u>5,906</u>	<u>4,822</u>

### 22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes

	Balance at 1 January 2012 £	Movement in funds		Balance at 31 December 2012 £
		Incoming resources £	Resources expended £	
Welsh Commons Forum	1,002	-	-	1,002
Foundation For Common Land	10,034	-	(10,034)	-
Sustainable Control Of Parasites In Sheep	4,588	15,000	(18,469)	1,119
	<u>15,624</u>	<u>15,000</u>	<u>(28,503)</u>	<u>2,121</u>

#### Welsh Commons Forum

During the prior year a separate organisation for Welsh Commons Forum was set up independently of the National Sheep Association. The residual funds held by the National Sheep Association for this purpose were transferred to the newly established Welsh Commons Forum.

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

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### 22 Restricted funds

(Continued)

#### **Foundation For Common Land**

The Foundation for Common Land is a project undertaken in partnership with Natural England. The NSA passed the project onto the Pastoral Alliance and all remaining funds held were transferred during the year.

#### **Sustainable Control Of Parasites In Sheep**

The Sustainable Control Of Parasites in Sheep (SCOPS) group was formed to develop sustainable strategies for parasite control in sheep, facilitate and oversee the delivery of these recommendations to the industry and ensure that new research and development is incorporated to refine and improve advice given to the sheep industry.

SCOPS is an industry led group that represents the interests of the sheep industry. It recognises that, left unchecked, anthelmintic resistance (AR) is one of the biggest challenges to the future health and profitability of the UK sheep industry.

During the year several of the participating organisations contributed towards the activities of SCOPS. The money is held and administered by the National Sheep Association, who is also providing non-financial assistance to the group.



# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

### 23 Designated funds - Regions & Ram Sales

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes

	Movement in funds				
	Balance at 1 January 2012	Incoming resources	Resources expended	Transfers	Balance at 31 December 2012
	£	£	£	£	£
<b>Regional Activity (including Regional Events)</b>					
National Sheep Event	16,380	198,383	(86,022)	-	128,741
Scottish Region	25,008	174,220	(181,801)	38,000	55,427
Northern Region	63,253	955	(13,807)	200	50,601
Wales Region	74,294	1,229	(15,830)	133	59,826
Central Region	16,222	(2,190)	(3,019)	-	11,013
Marches Region	-	-	(998)	998	-
Eastern Region	9,612	26,238	(19,429)	67	16,488
South West Region	16,460	(115)	(6,780)	133	9,698
South East Region	8,977	37,197	(26,765)	27	19,436
Northern Ireland Region	31,764	4,520	(11,158)	3,883	29,009
<b>Ram Sales</b>					
Wales And Border Ram Sales	130,823	159,574	(148,980)	268	141,685
South West Region Ram Sales	61,751	4,659	(4,828)	133	61,715
	<u>454,544</u>	<u>604,670</u>	<u>(519,417)</u>	<u>43,842</u>	<u>583,639</u>

Eastern Region and Eastern Region Ram Sales prepare combined accounts and are treated as a single region

# NATIONAL SHEEP ASSOCIATION

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

### 24 Analysis of net assets between funds

	Head office activity / Unrestricted funds £	Regions and ram sales / Designated funds £	Other activities / Restricted funds £	Total £
Fund balances at 31 December 2012 are represented by				
Tangible fixed assets	331,598	21,895	-	353,493
Current assets	81,936	604,805	-	686,741
Creditors amounts due within one year	(101,017)	(34,095)	-	(135,112)
Inter fund loans	6,845	(8,966)	2,121	-
	<u>319,362</u>	<u>583,639</u>	<u>2,121</u>	<u>905,122</u>
<b>Inter fund loans</b>				
Restricted funds held by Head Office	(1,119)	-	1,119	-
Regional VAT payable to/from Head Office	8,046	(8,966)	1,002	-
	<u>6,845</u>	<u>(8,966)</u>	<u>2,121</u>	<u>-</u>

During 2010 the charity purchased property adjacent to the Sheep Centre from the Suffolk Sheep Society. In order to fund this purchase the head office of the charity borrowed money from the Regions and Ram Sales. These loans were repaid during the year. Interest on the loans was charged at a rate of 4% per annum.

No interest is payable on other inter fund loans.

### 25 Commitments under operating leases

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows:

	2012 £	2011 £
Expires between two and five years	<u>3,613</u>	<u>3,613</u>

# **NATIONAL SHEEP ASSOCIATION**

## **BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2012**

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### **26 Other commitments**

NSA is to contribute £10,000 per year to the Moredun Institute to assist with the additional costs of mailing their material to NSA's existing members. The contract can be cancelled with 3 months' notice after the first year by either party.

Post year end NSA entered into an agreement with Shepherd Publishing for the production of the Sheep Farmer Magazine. NSA is to contribute a fixed sum of £10,299 per edition of which there are six produced annually. The agreement is for a period of one year.