NATIONAL SHEEP ASSOCIATION

England & Wales · Charity number 249255

Details

Status	Registered
Legal form	Charitable company
Company number	00037818
Registered	1967-07-05
Register	View on the Charity Commission register

Contact

Address	National Sheep Association The Sheep Centre Blackmore Park Road Welland Malvern WR13 6PH
Phone	01684892661
Email	enquiries@nationalsheep.org.uk
Website	www.nationalsheep.org.uk

Activities

Objects: TO ENCOURAGE AND IMPROVE BREEDING, MANAGEMENT AND PROMOTION OF THE SHEEP AS A SPECIES AND AS AN INDUSTRY IN THE UNITED KINGDOM AND ELSEWHERE. (FOR FURTHER DETAILS SEE MEMORANDUM OF ASSOCIATION).

Activities: Acts as an umbrella organisation for the disemination of relevant information between sheep farmers and other organisations.

Classification

- **How:** Acts As An Umbrella Or Resource Body
- **What:** Education/training, Animals, Environment/conservation/heritage
- **Who:** Other Defined Groups

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Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,319,640	£1,336,967	£2,345,072	18
2023-12-31	£1,361,099	£1,275,133	£2,103,357	15
2022-12-31	£1,357,950	£1,202,936	£1,992,868	15
2021-12-31	£828,130	£839,150	£1,794,567	13
2020-12-31	£664,411	£734,513	£1,715,435	13

Trustees

Name	Role	Appointed
Peter James Delbridge	Chair	2018-05-02
Caryl Mair Hughes		2022-05-04
DAVID WILLIAM GREGORY		2014-08-14
Dr Yann Louis Pierre Le Du		2021-03-18
Jack Clement Cuthbert		2026-05-06
James Eliot Bickerton		2025-05-06
James Seymour Raine		2025-05-06
John Paul Wozencraft		2024-05-01
Michael John Credland		2024-05-01
Pamela Nicol		2023-08-11
Peter Derwent Derryman		2024-05-01
Richard Charles Savory		2026-05-06
TIMOTHY ANDREW WARD		2026-05-06
William Edward Adamson		2025-05-06

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NATIONAL SHEEP ASSOCIATION

England & Wales - Charity number 249255

Accounts

Registered number: 00037818
Charity numbers: 249255 and SC042853

NATIONAL SHEEP ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

Bishop Fleming

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1 - 2
Trustees' report	3 - 11
Independent auditors' report on the financial statements	12 - 15
Statement of financial activities	16
Balance sheet	17 - 18
Statement of cash flows	19
Notes to the financial statements	20 - 43

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2024

Trustees	Mr W Adamson (appointed 6 May 2025) Mr A Alderson (resigned 6 May 2025) Mr J Bickerton (appointed 6 May 2025) Ms D Colley (appointed 1 May 2024) Mr M Credland (appointed 1 May 2024) Mr P Delbridge Mr P Derryman (appointed 1 May 2024) Dr Y P Le Du Mr H Dunn (resigned 1 May 2024) Mr J Farmer (resigned 6 May 2025) Mr A Foulds Mr D Gregory Ms K Hovers Miss C Hughes Mr P Myles (resigned 1 May 2024) Ms P Nicol Mr D Phipps (resigned 10 January 2024) Mr C Sercombe (resigned 15 August 2024) Mr T Ward (resigned 1 May 2024) Mr J Wozencraft (appointed 1 May 2024) Mr E Adamson (appointed 6 May 2025) Mr J Bickerton (appointed 6 May 2025) Mr J Raine (appointed 6 May 2025)
Company registered number	00037818
Charity registered numbers	249255 and SC042853
Registered office	The Sheep Centre Malvern Worcestershire WR13 6PH
Honorary President	Lord Inglewood
Chief executive officer	Mr P Stocker
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Bankers	Lloyds Bank plc Malvern Worcestershire WR14 4QG

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

Solicitors	Roythornes Enterprise Way Pinchbeck Spalding Lincolnshire PE11 3YR
Investment advisors	Rathbones George House 50 George Square Glasgow G2 1EH

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their Annual Report and audited financial statements of the company for the year 1 January 2024 to 31 December 2024. The Annual Report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019). Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Summary of objectives and activities. There was no material change to the association's pursuance of its charitable objectives during the year, which remain to be 'to encourage and improve breeding, management and promotion of sheep as a species and as an activity in the UK and elsewhere in pursuit of advancing education, health, heritage, science, environmental protection and improvement and animal welfare for the public benefit'. NSA continues to take a broad interpretation of 'promotion of the activity' to encompass the setting up of private and public dialogue with those directly involved in sheep farming (NSA members, other sheep farmers, ancillary service providers and agricultural organisations) and those who NSA believes would benefit from better appreciating the contribution of sheep to the economy, health, environment and society (policymakers, opinion influencers and the general public). The highlight of the year for those directly involved in the sheep sector was the huge success of NSA Sheep 2024 and NSA Scot Sheep, which were held in addition to the usual calendar of events, ram sales and regional activities. Coupled with written publications, a strong online presence, ongoing engagement with members and the NSA Next Generation programme, the support and information offered to the sector strengthened yet again over the year. Given the unprecedented pace of change to agricultural support in the four nations of the UK, in addition to the impact of climate change and increased risk of midge-borne diseases, NSA once again stepped up to the plate to educate and inform non-sheep farmers about the unique role of sheep in the UK countryside. A highlight within this work was the publication of the NSA Sustainability Report – 'UK sheep farming and the sustainability agenda' – in conjunction with the School of Sustainable Food & Farming at Harper Adams University. This report challenges ill-founded assumptions that sheep are bad for the environment, but also outlines areas where farmers need to take additional action. It will continue to be a key promotional tool for NSA for several years and is influencing work done on this subject by others. NSA's work continued to benefit from the association being a UK-wide organisation that understands the devolved nature of agricultural policy, and that sheep farming varies greatly in different regions, while also emphasising the need for consistency where possible.

b. Main objectives for the year. The additional detail behind the NSA's charitable objectives is a vision for an optimum and resilient UK sheep population that is inherently healthy and able to cope with disease and parasite challenges. Diverse in its structure, contributing to feeding and providing fibre for an increasing global population, while adapting to the effects of and responding to the challenges of climate change and sustainable land management. We see our reputation being enhanced by working in harmony with areas of public interest – playing our part in mitigating global warming, improving our environment and ecology, enhancing landscapes, wise and responsible resource use, and protecting and creating culture and rural employment. Our vision is one of the people involved in keeping sheep being enthusiastic, knowledgeable and aspiring to best practice – and those not keeping sheep increasingly aware of the core aspects of sheep farming and appreciative of the contribution sheep make to society. Maximising membership numbers and the profile of and respect for NSA are critical to this. For 2024 this has specifically meant exploring and informing the difficult balance between profitability, sustainably land management and climate mitigation against a backdrop of huge policy change and the advert of a new government. Internally, it has also meant managing significant change to the NSA property and investment portfolios and strengthening the NSA staffing structure ahead of significant future change (more detail later).

c. Main aims and significant activities for achieving objectives. The ability for NSA to communicate best practice to those involved in sheep farming relies on strong membership numbers. This is also vital in terms of having a mandate to promote relevant elements of the sector to policymakers, opinion influencers and the general public. As the number of UK sheep farmers decreases, NSA has continued to work hard to attract and retain members – meaning the membership has fallen to a far lesser extent than industry statistics show a contraction of total industry participants. NSA sheep events continue to provide a vital platform for NSA and a service for sheep farmers and ancillary services. Within the NSA biennial calendar of events, NSA Sheep 2024 and NSA Scot Sheep were hugely successful. They acted as flagship events within a line-up of smaller regional meetings, farm walks and other activities. The NSA Wales & Border Early Ram Sale moved location, allowing it to manage escalating costs while continuing to provide a service for pedigree breeders and commercial buyers. It continues to be an important activity within the mix of six NSA ram sales. The concept of NSA Field Days as a half-way point between a large sheep event and a farm walk has continued to be developed, with more NSA regions getting involved and adding successful elements to the concept. Coupling face-to-face activity with a strong online offering, particularly on social media, continues to be a strong model for NSA to communicate and maintain its profile. The task of promoting sheep farming to non-sheep farmers relies on separate methods, including attending industry stakeholder meetings, engaging in key policy discussions and filing consultation responses. NSA continues to be invited to engage and input to an increasing number and range of meetings and forums, which emphasises the esteem in which the organisation is held, and the quality of the work done to encourage and improve UK sheep farming. Press releases, public-facing information on the NSA website and public-facing social media posts also continue to have an important role, particularly when it comes to topics such as sheep worrying by dogs and promoting Love Lamb Week.

d. Volunteers. NSA wouldn't be what it is without the volunteers from within its membership who act as officeholders, sit on committees, help at events, support the NSA Next Generation initiatives and selflessly share their time and expertise. The Trustees would like to take this opportunity to thank them all, not least the volunteers who made NSA Sheep 2024 and NSA Scot Sheep possible. NSA prides itself on being a grassroots organisation and the incredible efforts of its volunteers ensures it always remains strongly anchored within its membership of sheep farmers.

e. Main activities undertaken to further the association's purposes for the public benefit. As outlined in the NSA vision for the sheep sector, sheep farming provides a plethora of public goods. As the UK grapples with the best use of the public purse, NSA's role is more than important than ever to promote the contribution of sheep farming to, amongst other things, food security, sustainable land management, nature recovery, climate change mitigation, the one-health agenda, animal welfare, and public access to the outdoors. Inspiring UK sheep farmers to be world leaders while surviving the seismic changes to farm support schemes is an ongoing challenge that NSA continues to embrace, continuing adapting and keeping abreast of policy shifts. In 2024, in addition to NSA's output, it also ventured for the first time into making a donation to an external cause that it felt was closely aligned with its charitable objectives. NSA Cymru/Wales Region gifted £60k to the Welsh Veterinary Science Centre to invest in new technology and be able to deliver affordable disease screening to owners of UK sheep flocks. The decision was agreed at Board level, given its close link to NSA's objectives around sheep health and the fact the money could be donated without unduly affecting NSA's day-to-day finances or net worth.

Achievements and performance

a. Main achievements of the association

- High profile launch of the 'UK Sheep Farming and the Sustainability Agenda' report, followed by autumn and winter activity to ensure wide pick-up and acknowledgement.
- Engagement with the new government elected in July, the first Labour government in 14 years, to ensure good understanding by relevant ministers of the public benefits delivered by sheep farming.
- Continuous engagement with MPs across the country to raise the human and business cost of budget announcements and other decisions lacking in detail.
- Regular attendance at high level government meetings and contact with key policymakers and civil servants to promote the role of sheep in all four UK nations, particularly in relation to farm support programmes.
    - In England, successful influence of the decision to expand options under the Sustainable Farming initiative, add endemic disease to the Animal Health & Welfare Pathway, and address lack of SFI options for hill farmers.
    - In Wales, successful influence of the decision to rethink elements of the Sustainable Farming Scheme, particularly the level of complication and 10% tree-planting target.
    - In Scotland, successful coordination with other agricultural stakeholders to ensure a consistent approach to future scheme development.
    - In Northern Ireland, increased profile of the lack of provision for sheep in the Sustainable Farming Scheme in relation to other livestock, and successful influence of DAERA to reconsider removal of funding for maedi visna disease accreditation.
- Successful influence of the decision to mandate sheep carcase classification and price reporting.
- Successful influence of the decision to review farm assurance in England, with the findings published in early 2025 including many of the concerns raised by NSA in recent years.
- Successful influence of the decision to hold a Dartmoor Inquiry into conflict over land management in the national park – more on this in the staffing section.
- Promotion of the risk to sheep farmers posed by the removal of agricultural property relief, calling for a higher exemption threshold and longer implementation period.
- Increased awareness of illegal meat imports, with more funding now allocated to border checks, particularly at Dover-Calais.
- High level engagement in the UK response to the bluetongue outbreak, contributing to government decisions on restriction zones, successful communicating updates to members, and influencing the fast-tracking of vaccine licencing.
- Increased awareness of Schmallenberg disease and communication to members about the importance of submitting samples for analysis.
- Continued activity around sheep vaccine shortages, highlighting the need for sustainable supply and supporting members unable to access doses.
- Continued activity around control of sheep scab, particularly around finding solutions to ongoing problems with dip disposal.
- Involvement in the Global Sheep Producers Forum, raising the global profile of the UK and expanding membership to more countries – more on the Next Generation element of this below.
- Successful campaign in March 2024 to raise awareness of sheep worrying by dogs, plus sustained activity through the year and a farmer survey launched in late 2024.
- Launch of 'Graziers List' in October 2024, a match-making service for land owners and sheep graziers.
- Influential involvement in various research projects, including: Fabulous Fibre (2023-24), Breed for CH4ge (2023-25), Forage for CH4ge (2024-25), the Lamb Monitor Project (2023-26), Canine DNA Recovery (2024-26), Sheep Efficiency (2024-2025), Breeding Animals For Resilient Feet (2024-25) and Grassland Resilience for Net Zero (2024-2026).
- Expansion of the NSA Next Generation programme to include a new Sheep Sustainability Competition (held at NSA Sheep 2024), a delegation of UK competitors at the International Young Shepherd Competition in France, and two NSA delegates attending the Global Sheep Producers Forum Next Generation Conference in Australia, in addition to existing activities including the Ambassador programme, Wool Symposium and regional competitions.

- Delivery of two NSA sheep events, six NSA ram sales and four NSA field days, plus nine annual regional members' meeting and multiple regional farm walks / meetings.

b. Key performance indicators.

- **External. Economics.** NSA considers the size and productivity of the national flock to be the most accurate indicator of the health and sustainability of the sector. The number of UK sheep farmers continues to reduce, but not at the rate feared when the UK exited the EU and the security of the Common Agricultural Policy. Prices paid to sheep farmers for finished lambs were strong throughout 2024. The increase in consumer prices for other proteins (notably beef) meant lamb was comparable, resulting in strong demand in the domestic and international market for UK sheep meat.
- **External. Health.** NSA continues to be at the forefront of initiatives to increase the health of the national flock. The arrival of 'new' diseases spread by midges (bluetongue and Schmallenberg) and problems with vaccine supply to protect sheep from 'old' diseases are not helping efforts to improve health, but NSA's work in these two areas has been considerable in 2024, in addition to sustained work around iceberg diseases and parasite management. NSA is very proud of the high levels of awareness among NSA members and its close relationships with SCOPS, RUMA, RHWG, SVS, Moredun, animal health companies and others.
- **External. Environment.** The publication of 'UK sheep farming and the sustainability agenda' was a milestone event for NSA. Previous NSA reports have been well researched and full of statistics, but this one has the added weight of being written in conjunction with a university. The report commanded a lot of respect in 2024 and was circulated to MP, policymakers, organisations with an anti-farming agenda and more. It will continue to be a useful tool in NSA's work, due to its clear message about the multi-faceted nature of sustainability, the contribution sheep already make, and the areas where more work is needed.
- **External. Society.** As above, the NSA Sustainability Report has strengthened NSA's existing work to highlight the contribution sheep farming makes to wider society. The appreciation of the role of family farms increased in the latter part of 2024, with widespread public outcry about the government removing agricultural property relief. NSA maximised this opportunity to highlight the wide range of public goods delivered by sheep farming and the particular value of multigenerational family farms. Activity by the current NSA Love Lamb Ambassador was also particularly strong in 2024, giving a human face to NSA messages.
- **Internal. Membership.** As referred to elsewhere in this report, membership decline linked to a shrinking industry has been well-managed. There has been an increase in the number of people holding joint NSA membership, demonstrating the value placed on having two people within a household accessing NSA benefits. A two-part Gift Aid campaign (in spring and winter 2024) was very successful in increasing the amount of members giving permission for NSA to claim Gift Aid on their subscription.
- **Internal. Association profile.** Many of the high-profile successes of NSA in 2024 are listed in the previous section. NSA continues to be regularly quoted in the agricultural press and to increase its following on social media. The appointment of Phil Stocker, NSA Chief Executive, as the Independent Chair of the Dartmoor Land Use Partnership (more detail later) has added to this. The Dartmoor role is completely separate to Phil's NSA role, but the creation of the post was something NSA has long been campaigning for.
- **Internal. Finances.** Following work in 2022 and 2023 to identify ways to maximise the NSA Sheep Centre (the site owned by NSA in Malvern, Worcestershire), the sale of a property known as Firs Farmhouse finally completed in July 2024. This building and garden at the far end of the Sheep Centre site was sold to the Three Counties Agricultural Society (TCAS) and the deed included the relaxation of covenants placed on the whole site when NSA bought it from TCAS in 1988. The combination of this and improvements made to rental property on the site has increased the site value. Work continues to decide how to best invest the proceeds of the sale back into the site, with an extension and upgrade of the NSA office under discussion. This boost to the property portfolio, strong performance by the investment portfolio, and two profitable sheep events in 2024 have contributed to a strong financial position (more detail later).

- **Internal. Governance.** Work continued in 2024 to bring together written policies and procedures into a single NSA Operating Manual. Huge improvements have been made to the inductions given to new Trustees, regional managers and regional chairs. A risk assessment required by the new sexual harassment legislation was completed and work concluded in the first half of 2025 to implement polices for NSA staff, officeholders and volunteers and mitigate risk.
- **Internal. Staff.** The additional five days holiday granted to staff from 2024 onwards was well received. Discussion around investment in the office facilities is similarly linked to a desire to improve working conditions. Considerable changes to staffing in 2024 – including the difficult decision to make a position redundant (more detail later) – have been managed carefully and continued to be a key focus into 2025.

c. Review of activities. Structures are in place for regular reviews of activity. Two Trustees – the Chair and Treasurer – sit on the Senior Management Team with the NSA Chief Executive and NSA Operations Director and meet regularly. This is in addition to quarterly Board meetings and regularly interim updates to Trustees. Committees with delegated responsibilities meet regularly, as do NSA regional committees. Forums are also facilitated for regional managers and event/ram sale organisers to communicate and compare information.

d. Factors relevant to achieve objectives. The commitment of staff members to keep abreast of fast-paced policy change, ever developing technological change, and the latest research and innovation is vital. Development of the staffing structure and empowerment of individuals with the NSA Management Team has achieved the desired objective of having more decisionmakers within the team and people more than capable of deputising for the Chief Executive on policy and technical topics. Staffing in underpinned by dedicated officeholders and committees members, ensuring NSA delivers its objectives.

e. Fundraising activities and income generation. NSA continues to spread its risk by bringing in income from membership subscriptions, sponsorship, events, project funding and other sources, rather than relying solely on one source. All income streams and significant expenditure continue to be monitored regularly, but there are no significant changes to report in relation to 2024. NSA Sheep 2024 and NSA Scot Sheep were both tremendously successful from a financial point of view.

f. Investment policy and performance. The investment portfolio increased in 2024, due to the sale of Firs Farmhouse completing in July and the proceeds being invested while decisions are made on how to reinvest the money into the NSA Sheep Centre site. Two additional NSA regions also felt able to invest funds in a way that would safeguard them for the future and fund longer-terms plans to support young people in the sheep sector. The bulk of the NSA Head Office investment is with Rathbones and is on a medium risk tolerance with the performance viewed in the medium/long term (three to five-year cycles). Rathbones has the discretion to manage the portfolio based on an investment policy agreed by Trustees and this portfolio did particularly well in 2024. Performance of the Rathbones portfolio and investments by NSA Head Office, NSA regions and NSA ram sales with CCLA and NFU Mutual were tracked in 2024 via quarterly report to the Board. Additional quarterly reports were bank balances (with and without investments included) and net worth. Throughout 2024 the organisation continued to take steps to reduce funds held in high street banks over and above the £85k per institution protection limit of the Financial Services Compensation Scheme. This risk has been reduced but is still present. Trustees are continuing to take mitigating steps and also monitor the proposal to increase the £85k threshold to £125k.

Financial review

a. Overview. The financial position at the end of 2024 shows an increase over 2023, with the total closing reserves at £2,345,072 (2023: £2,103,357), an increase in funds of 11.5%. The increase of £241,715 (as shown on page 16) comprises three elements. The first is an operating loss of £17,327, which is after the provision of special project funding by NSA Cymru/Wales Region in the form of a donation to the Welsh Veterinary Science Centre of £60,000. For comparison purposes the regular operating contribution for the year is £42,673. The second element is an increase in investments of £105,784. The third is the gain from the revaluation of fixed assets of £153,258, largely resulting from the sale of Firs Farmhouse and the easing of covenants held over the rest of the site. This financial performance provides a secure basis for managing the varying cashflows that result from the two-year cycle of events. The annual regular operating contribution has averaged £64,320 over the two-year cycle of 2023 and 2024. This provides a sound basis for supporting the varied activities of NSA across the coming years. NSA maintained a flexible balance between investments and working capital, as shown on page 17. NSA has a number of strong income streams, including membership subscriptions and events, but is not solely reliant on either to support its activities. This income spread is illustrated on pages 25 and 26 and in the supporting notes.

b. Going concern. NSA has neither the intention or the need to cease its work or significantly reduce the scale of its work. The long-term viability of NSA is something the NSA Trustees regularly consider, supported by input and information provided by the Senior Management Team and other staff members. This includes quarterly updates on financial KPIs, a biannual review of the NSA Risk Register and working to two-year budgets wherever possible. NSA continues to operate with diverse income streams meaning, while it remains a membership organisation, with membership subscriptions at its core, it is not reliant on solely this income. Income from sponsorship, advertising and trade shows remains steady across the organisation, as well as money from externally funded research projects and from various investment portfolios. Should income fall below our projections, NSA has reserves which can be drawn on if required.

c. Reserves policy. The reserves policy for NSA continues to be to hold sufficient free reserves at NSA Head Office to cover more than one month's salary costs, for NSA ram sales to be equivalent to 12 months of expenditure, and for NSA regions to be equivalent to 24 months of expenditure, as these are the periods between the major fundraising events where income is generated.

d. Investment policy. The investment policy for NSA continues to be for funds not needed for cashflow to be held in interest-generating accounts that can be accessed at fairly short notice (under a week). Funds over and above this are invested with a more long-term view with the intention of generating a yield for NSA to contribute to its day-to-day activities or, for NSA regions, contribute to less frequent stand-along activities, such as for the benefit of young people in the sheep sector.

e. Principal risks and uncertainties. The Trustees review the NSA Risk Assessment & Register at every other Board meeting (i.e. twice per year) and are updated on steps taken by NSA employees to mitigate risks identified in the register. One risk that reduced during the year was reliance on individual staff members (as additional steps have been taken to ensure no single person is indispensable) and one that increased was keeping pace with changing employment law and legislation (highlighting the need for NSA to keep taking external advice).

f. Fundraising policy. NSA does not use professional fundraisers and does not fundraise through public appeals. It did not receive any complaints about fundraising activities in 2024. NSA does provide the facility for individuals to make donations via the website, but this was not utilised in 2024.

g. Principal funding. Membership subscriptions remain the most important funding stream (just below 50% of total income) but a commitment to not being reliant on a single income stream means funding comes via corporate sponsorship packages, business-to-business trade events, advertising sales, grant funding for research projects, the HMRC Gift Aid claim, rental income from buildings on the NSA Sheep Centre, and interest from investments. All events and activities have budgets prepared in advance having regard to risks. The content and sponsors of events are chosen by committees to be appropriate to the aims of the association. There are financial controls in place to reduce the risk of fraud and financial loss. There is regular liaison and reporting between regions, ram sales and head office to monitor fundraising activities. NSA occasionally receives legacies but, due to not knowing about these in advance, does not rely on this as an income stream or make assumptions about legacies in annual budget. A single legacy of £16k was received in late 2024.

Structure, governance and management

a. Constitution. During 2024 NSA was a Company Limited by Guarantee governed by its Memorandum and Articles of Association dated 21st December 1892 and most recently amended at the 2015 AGM 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 £1. The plan to take a proposed change to the Articles of Association to the AGM in August 2024 did not go ahead (due to lack of time to inform members of the special resolution) so will be taken to the August 2025 AGM – to provide clarity on the role of the Chair and create provision for a Vice Chair to be elected in the final year of the Chair's three-year term.

b. Methods of appointment or election of Trustees. There were 17 Trustees, who are also directors for the purpose of company law, who served during 2024. In January 2024 Dan Phipps reached the end of his three-year term as NSA Chair. The Trustees elected Peter Delbridge, a Trustee of six years' standing, as his successor. In May 2023 three Trustees reached the end of their second three-year terms – Henry Dunn, Peter Myles and Tim Ward. Four new Trustees were elected at this time, to replace the three retirees and the vacancy created by Peter Delbridge when he stepped up to the position of Chair. These were Mike Credland, Debs Colley, Peter Derryman and Paul Wozencraft. In August 2024 NSA Trustee and friend Charles Sercombe passed away. Given Charles' extensive network and numerous industry roles, this huge loss was felt by NSA and throughout the UK sheep sector. The NSA Board operated with 13 Trustees rather than 14 from August 2024 to May 2025. Between the end of the financial year and the production of this report, one Trustee reached the end of their six-year term, and another declined the option to do a second three-year term. Alan Alderson and Jonny Farmer, plus the vacancy left by Charles Sercombe, were filled in May 2025 by Edward Adamson, James Bickerton and James Raine. Trustee nominations and appointments are as per the Articles of Association. When a Trustee is appointed, they are informed of their responsibilities and duties as a Trustee Director and given copies of Charity Commission guidance and NSA printed information. An induction session is also provided, to give the Trustee an in-depth understanding of the NSA structure and operations from the outset.

c. Organisational structure and decision-making policies. The Trustee Directors administer the Charity and Company. There are a minimum of four Board meetings each year, plus additional information and updates shared digitally in between. The Trustees delegate responsibility to the NSA Finance Scrutiny Committee and the NSA UK Policy & Technical Committee. Each of the devolved nations has its own committee, as well as six regional committees in England feeding into the NSA English Committee. The Chief Executive manages the day-to-day operations, having regard to the decisions of the Board. This in unchanged from previous years.

d. Management and staff in 2024. The year started with 14 employees (five individuals working full-time, seven part-time and two on zero hours contracts) but a clear instruction from the Board to fill a newly created, full-time position of NSA Assistant to the Chief Executive. This role, to ensure the Chief Executive was able to use his time and expertise most effectively, was filled in April 2024 and immediately made a positive impact on workstreams. Around the same time the incumbent Digital Communications Officer left NSA for a different company within the agricultural sector and a replacement was recruited. They delivered important work for NSA over the following months but decided the role was not for them and resigned in December 2024, being successfully replaced only few weeks into 2025. After several months of the NSA Northern Ireland Region Development Officer expressing a wish to retire, the model of him providing services to NSA as a self-employed contractor was reviewed and a new, part-time, employed role created in Northern Ireland instead. This was successfully filled in September 20204 and a six-week transition period implemented. The NSA Policy Manager accepted a role elsewhere in the agricultural sector and resigned in December 2024. A suitable candidate was quickly identified but was not able to start until April 2025 due to a long notice period with his current employer. These changes in staffing were all fairly minor compared to some difficult and significant decisions made in the autumn of 2024. In response to ongoing divergence of opinions between farmers and other groups with specific interests, particularly in national parks, NSA has long been promoting the concept of land use groups with independent chairs for these areas. Defra agreed to pilot this concept in the Dartmoor National Park following the Fursdon Review, and Phil Stocker, NSA Chief Executive, was offered and accepted the role in October 2024. In order for Phil to take this role (reducing his NSA hours to 3.5 days per week) and relieve already existing pressure on staff members delivering policy and technical work, the difficult decision was taken to create an additional outreach role within the team and make an existing administrative role redundant. The position of NSA Association Manager was made redundant in October as the result of a restructure that allowed Phil to reduce his NSA hours / accept the Dartmoor role. The new position of NSA Technical Communications Officer was created and subsequently filled, in February 2025, and is working well. Administrative duties have been redistributed amongst the team.

e. Pay policy for key management personnel. The Senior Management Team discusses individual salaries and proposes a total salary figure to Trustees within the annual budget. The Chair and Treasurer, who form part of that Senior Management Team, provide an annual appraisal for the Chief Executive. All other staff members go through an appraisal process with their line manager, which helps inform decisions about the staffing structure and salaries. Budget discussions in late 2023 agreed a minimum of 3% pay increase for staff in early 2024, plus a five-day increase in the basic holiday allowance from 20 days to 25 per year. Salary discussions in late 2024 agreed a minimum of 2% pay increase in early 2025, in addition to the increase in employer national insurance contributions.

f. Related party relationships. Details of related party transactions are detailed in note 29 of the Finance Statement. There were no transactions where a person or close member of that person's family had significant control. There were transactions with third parties with a link to an NSA Trustee, but these were all in pursuit of NSA's charitable objectives. Income as on a par with 2023 and is mainly sponsorship received from companies and breed societies where NSA Trustees also sit on management boards. Expenditure was considerably more than 2024 due to the decision by NSA Cymru/Wales Region to make a donation to the Welsh Veterinary Science Centre (as detailed in the 'Objectives and activities' part of this report) and the WVSC having an NSA Trustee on their books as a contractor. The donation was not influenced by this link.

g. Financial risk management. Finances are a specific section within the NSA Risk Assessment & Register. Trustees track financial KPIs (bank balances, investment performance and net worth) and compare the budget to quarterly actuals. In addition, staff meet regularly to discuss major income streams, including membership recruitment and retention, financial tasks (e.g. debt chasing), project management and commercial opportunities. Two large events – NSA Sheep 2024 and NSA Scot Sheep – were managed carefully to maximise the profit margins generated. Improvements were made to the way investments are tracked, with the decision to put funds not needed for short periods of time into accounts that generate interest, taken in a way that spreads risk across different financial institutions.

h. Trustees' indemnities. Each member of NSA, including the Trustees, undertakes to contribute to the assets of the company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required not exceeding £1 for the debts and liability contracted before they cease to be a member.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, and signed on its behalf by:

David Gregory
Treasurer

Date: 24-6-25.

Peter Delbridge
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL SHEEP ASSOCIATION

OPINION

We have audited the financial statements of National Sheep Association (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.
-

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the industry and sector, control environment and the Charity's performance;
- We have considered the results of our enquiries of management and the Trustees in relation to their own identification and assessment of the risk of irregularities
- For any matters identified we have obtained and reviewed the Charity's documentation of their policies and procedures relating to;
    - Identifying, evaluating and complying with laws and regulations whether they were aware of any instances of non-compliance;
    - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
    - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue and managemet override of controls using manual journal entries. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We have obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019, FRS102 and the terms and conditions attaching to material grants received by the Charity. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. These included the Health & Social Care Act, data protection regulations, health and safety regulations, employment legislation, the Code of Fundraising Practice and gambling legislation.

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of Trustee meetings;
- Enquiring of Trustees and management concerning actual and potential litigation and claims;
- Performing detailed transactional testing in relation to the recognition of income, specifically grants and legacies, with a particular focus around year-end cut off;

In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us, The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees and 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Wood FCCA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 4 September 2025

Bishop Fleming LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	4	**33,517**	**-**	**33,517**	71,794
Charitable activities	5	**644,514**	**23,636**	**668,150**	684,274
Other trading activities	6	**551,444**	**-**	**551,444**	544,805
Investments	7	**57,404**	**-**	**57,404**	50,582
Other income	8	**9,125**	**-**	**9,125**	9,644
Total income		**1,296,004**	**23,636**	**1,319,640**	1,361,099
Expenditure on:					
Charitable activities	9	**1,323,523**	**13,444**	**1,336,967**	1,275,133
Total expenditure		**1,323,523**	**13,444**	**1,336,967**	1,275,133
Net (expenditure)/income before net gains on investments		**(27,519)**	**10,192**	**(17,327)**	85,966
Net gains on investments		**105,784**	**-**	**105,784**	59,523
Net income		**78,265**	**10,192**	**88,457**	145,489
Transfers between funds	21	**55,942**	**(55,942)**	**-**	-
Net movement in funds before other recognised gains/(losses)		**134,207**	**(45,750)**	**88,457**	145,489
Other recognised gains/(losses):					
Gains/(losses) on revaluation of fixed assets		**153,258**	**-**	**153,258**	(35,000)
Net movement in funds		**287,465**	**(45,750)**	**241,715**	110,489
Reconciliation of funds:					
Total funds brought forward		**2,046,230**	**57,127**	**2,103,357**	1,992,868
Net movement in funds		**287,465**	**(45,750)**	**241,715**	110,489
Total funds carried forward		**2,333,695**	**11,377**	**2,345,072**	2,103,357

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 43 form part of these financial statements.

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00037818

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	14	**20,902**	10,966
Tangible assets	15	**114,319**	187,067
Investments	17	**1,518,901**	1,111,340
Investment property	16	**447,000**	455,000
		2,101,122	1,764,373
Current assets			
Stocks	18	**2,825**	2,924
Debtors	19	**175,281**	112,842
Cash at bank and in hand		**443,228**	473,597
		621,334	589,363
Creditors: amounts falling due within one year	20	**(377,384)**	(250,379)
Net current assets		**243,950**	338,984
Total assets less current liabilities		**2,345,072**	2,103,357
Total net assets		**2,345,072**	2,103,357
Charity funds			
Restricted funds	21	**11,377**	57,127
Unrestricted funds	21	**2,333,695**	2,046,230
Total funds		**2,345,072**	2,103,357

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2024

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mr D Gregory
Treasurer

Date: 24-6-25.

Mr P Delbridge
Chair

The notes on pages 20 to 43 form part of these financial statements.

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	24	**11,605**	(27,286)
Cash flows from investing activities			
Dividends, interests and rents from fixed asset investments		**57,404**	50,582
Purchases of fixed assets		**(32,065)**	(39,026)
Proceeds from the sales of fixed asset investments		**210,000**	61,000
Purchase of fixed asset investments		**(507,313)**	(160,000)
Proceeds from the sales of fixed asset investment property		**230,000**	-
Net cash used in investing activities		**(41,974)**	**(87,444)**
Change in cash and cash equivalents in the year		**(30,369)**	**(114,730)**
Cash and cash equivalents at the beginning of the year		**473,597**	588,327
Cash and cash equivalents at the end of the year	25	**443,228**	473,597

The notes on pages 20 to 43 form part of these financial statements

1. GENERAL INFORMATION

National Sheep Association is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is The Sheep Centre, Blackmore Park Road, Malvern, Worcestershire, WR13 6PH.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

National Sheep Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investments properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

2.2 GOING CONCERN

NSA has neither the intention or the need to cease its work or significantly reduce the scale of its work. The long-term viability of NSA is something the NSA Trustees and staff regularly consider, with risks and potential risks to the association discussed on a regular basis and expenditure and income across the entire association closely monitored. NSA works hard to ensure membership subscriptions remain as stable as possible, even in the face of continued consolidation of sheep farming businesses within the UK. NSA also ensures it is not reliant on membership subscriptions alone, also drawing funds from sponsorship, advertising, business-to-business trade events, online events, externally funded projects and other income streams. Should income fall below our projections, the association has reserves which can be drawn on if required.

2.3 INCOME

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

2. ACCOUNTING POLICIES (continued)

2.3 INCOME (CONTINUED)

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 INTANGIBLE ASSETS AND AMORTISATION

Intangible assets are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset over its expected useful life.

Amortisation is provided on the following bases:

Website development	-	20 %	Straight line basis
Computer software	-	20 %	Straight line basis

2. ACCOUNTING POLICIES (continued)

2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £200 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% Straight line
Royal Welsh Pavilion	- 5% Reducing balance
Fixtures and fittings	- 10-25% on Cost / 20-25% Reducing balance
Computer equipment	- 20% Straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

2.7 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investment property, which is property held to earn rentals and/or capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year. No depreciation is charged on investment property.

Although this accounting policy is in accordance with FRS102 section 16, the lack of depreciation is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the trustees, compliance with the standard is necessary for the financial statements to give a true and fair view and in all other respects the Charity has complied with the Act. As a result, the value of investment property in the balance sheet is higher, and the depreciation charge in the statement of financial activities lower than they would be under the requirements of the Act.

2.8 STOCKS

Stocks are stated at the lower cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

2.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2. ACCOUNTING POLICIES (continued)

2.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.12 FINANCIAL INSTRUMENTS

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.14 PENSIONS

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2.15 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Estimated useful lives of tangible fixed assets
In determining the estimated useful life the Charity considers the expected physical wear and tear of the asset that could lead to obsolescence of the asset. Each year the Charity reviews the above to establish if there is any change in the expected useful life of tangible assets.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Investment property valuation
The investment property is held at fair value and the original valuation was carried out on 1 September 2022 by Charles Knowles, a RICS registered firm. A subsequent valuation was carried out in September 2024 following the removal of restricted covenants. Both valuations were arrived at by reviewing the market for transaction prices for similar properties. Each year the charity reviews the valuations, to determine whether they still considered this to be accurate at the year end.

Deferred subscription income
Annual membership renewals occur throughout the year, so when the charity receives member's subscription income in the current year, some of this may relate to the following year. This part is treated as deferred income in the current accounting period and will be recognised in the statement of Financial Activities in the following accounting period.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations from Gift Aid	16,844	-	**16,844**	57,323
Other donations and legacies	16,673	-	**16,673**	10,971
Grants	-	-	**-**	3,500
	33,517	-	**33,517**	71,794
TOTAL 2023	68,294	3,500	71,794	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Ram Sales	116,124	-	**116,124**	122,738
Sheep Farmer Advertising	118,003	-	**118,003**	105,526
Other Charitable Income	33,432	87	**33,519**	53,887
Sustainable Control of Parasites in Sheep	8,325	-	**8,325**	6,775
Membership Services	368,630	-	**368,630**	378,643
Defra Sheep Efficiency	-	4,050	**4,050**	-
Low Methane Sheep	-	8,574	**8,574**	6,243
Fabulous Fibre	-	10,925	**10,925**	-
Erasmus project	-	-	**-**	4,155
RDPE Moredun project	-	-	**-**	6,307
	644,514	23,636	**668,150**	684,274
TOTAL 2023	667,142	17,132	684,274	

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Fundraising events	551,444	**551,444**	544,805
TOTAL 2023	544,805	544,805	

7. INVESTMENT INCOME

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Rental income	15,496	**15,496**	21,348
Investment income	37,095	**37,095**	23,337
Interest receivable	4,813	**4,813**	5,897
	57,404	**57,404**	50,582
TOTAL 2023	50,582	50,582	

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Other income	5,025	**5,025**	2,861
Promotional items	3,742	**3,742**	4,691
P & O Booking Service	358	**358**	2,092
	9,125	**9,125**	9,644
TOTAL 2023	9,644	9,644	

9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Breeding Improvement Other Costs	68,060	-	**68,060**	94,588
Membership Services and Enquiries	222,225	-	**222,225**	217,210
Education and Promotion Other Costs	441,468	13,444	**454,912**	442,640
Fundraising Costs	591,770	-	**591,770**	520,695
	1,323,523	13,444	**1,336,967**	1,275,133
TOTAL 2023	1,256,481	18,652	1,275,133	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Breeding Improvement Other Costs	68,060	-	**68,060**	94,588
Membership Services and Enquiries	10,154	212,071	**222,225**	217,210
Education and Promotion Other Costs	194,848	260,064	**454,912**	442,640
Fundraising Costs	351,250	240,520	**591,770**	520,695
	624,312	712,655	**1,336,967**	1,275,133
TOTAL 2023	583,642	691,491	1,275,133	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Breeding Improvement Other Costs 2024 £	Membership Services and Enquiries 2024 £	Education and Promotion Other Costs 2024 £	Fundraising Costs 2024 £	Total funds 2024 £	Total funds 2023 £
SCOPS	-	-	2,495	-	**2,495**	2,422
Sheep Farmer costs	-	-	55,904	-	**55,904**	54,131
Design and printing	-	-	23,147	-	**23,147**	29,939
Next Generation Ambassadors	-	-	19,175	-	**19,175**	12,583
Branding and merchandise	-	-	2,383	-	**2,383**	1,996
Moredun Initiative	-	-	7,500	-	**7,500**	7,500
Regional Secretaries & Officers fees	-	-	60,831	-	**60,831**	61,312
Membership promotion	-	10,154	-	679	**10,833**	14,219
Ram sale expenses	65,688	-	-	-	**65,688**	83,291
Storage of semen	2,061	-	-	-	**2,061**	9,534
P & O expenditure	311	-	-	-	**311**	1,763
Subscriptions for other bodies	-	-	3,008	-	**3,008**	2,381
Awards and donations	-	-	3,461	-	**3,461**	4,593
Costs of generating funds	-	-	-	350,571	**350,571**	279,326
Externally funded project costs	-	-	13,755	-	**13,755**	6,910
RoSA project	-	-	3,189	-	**3,189**	55
RDPE Moredun project	-	-	-	-	**-**	11,260
Erasmus project	-	-	-	-	**-**	427
	68,060	10,154	194,848	351,250	**624,312**	583,642
TOTAL 2023	94,588	10,645	195,509	282,900	583,642	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Membership Services and Enquiries 2024 £	Education and Promotion Other Costs 2024 £	Fundraising Costs 2024 £	Total funds 2024 £	Total funds 2023 £
Staff costs	149,832	105,732	174,803	**430,367**	405,991
Depreciation and Amortisation	8,622	11,907	3,163	**23,692**	12,211
Printing, Photocopying, Postage & Stationary	11,636	13,654	13,575	**38,865**	44,395
General Office Expenses	517	602	602	**1,721**	7,127
Telephone, Computer & Website	7,222	8,426	8,426	**24,074**	35,343
Travel Expenses & Subsistence	16,055	18,732	18,732	**53,519**	58,179
Rates, Utilities & Insurance	6,677	7,789	7,789	**22,255**	26,223
Property Repairs	2,414	2,818	2,818	**8,050**	9,724
Legal & Professional	4,648	5,424	5,424	**15,496**	5,797
Accountancy	890	1,038	1,038	**2,966**	3,350
Bank Charges	2,655	3,097	3,097	**8,849**	6,160
Bad Debts	903	1,053	1,053	**3,009**	1,903
Governance - Audit Fees	-	13,500	-	**13,500**	12,750
Governance - Staff Costs	-	59,933	-	**59,933**	56,608
Board and AGM Meeting Costs	-	6,359	-	**6,359**	5,730
	212,071	260,064	240,520	**712,655**	691,491
TOTAL 2023	206,565	247,131	237,795	691,491	

11. AUDITORS' REMUNERATION

The auditors' remuneration amounts to an auditor fee of £13,500 (2023 - £12,750).

12. STAFF COSTS

	2024 £	2023 £
Wages and salaries	**373,170**	353,250
Social security costs	**30,902**	27,870
Contribution to defined contribution pension schemes	**26,295**	24,871
Wages and salaries included within governance	**59,933**	57,248
	490,300	463,239

The average number of persons employed by the Company during the year was as follows:

	2024 No.	2023 No.
Employees	**18**	15

The average headcount expressed as full-time equivalents was:

	2024 No.	2023 No.
Employees	**12.0**	11.3

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No.	2023 No.
In the band £80,001 - £90,000	**1**	1

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

	2024 No.	2023 *No.*
Regional Secretaries and Officers	**9**	11
Ram Sales Secretaries and Officers	**3**	3
Regional Event Managers	**4**	2
	16	16

12. STAFF COSTS (CONTINUED)

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. The following payments to these officers were made:

	2024 £	2023 £
Regional Secretaries and Officers	**39,958**	37,998
Ram Sales Secretaries and Officers	**28,750**	30,794
Regional Event Managers	**21,240**	29,500

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 December 2024, expenses totaling £7,216 were reimbursed or paid directly to 8 Trustees (2023 - £11,840 to 7 Trustees).

14. INTANGIBLE ASSETS

	Website Development £	Computer software £	Total £
COST			
At 1 January 2024	**-**	**13,707**	**13,707**
Additions	**15,847**	**-**	**15,847**
At 31 December 2024	**15,847**	**13,707**	**29,554**
AMORTISATION			
At 1 January 2024	**-**	**2,741**	**2,741**
Charge for the year	**3,169**	**2,742**	**5,911**
At 31 December 2024	**3,169**	**5,483**	**8,652**
NET BOOK VALUE			
At 31 December 2024	**12,678**	**8,224**	**20,902**
At 31 December 2023	-	10,966	10,966

15. TANGIBLE FIXED ASSETS

	Freehold property £	Royal Welsh Pavillion £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION					
At 1 January 2024	**224,935**	**44,292**	**98,157**	**31,656**	**399,040**
Additions	**6,140**	**1,200**	**5,497**	**3,381**	**16,218**
Disposals	**-**	**-**	**(22,501)**	**(11,904)**	**(34,405)**
Transfers to investment property	**(83,809)**	**-**	**-**	**-**	**(83,809)**
At 31 December 2024	**147,266**	**45,492**	**81,153**	**23,133**	**297,044**
DEPRECIATION					
At 1 January 2024	**60,225**	**39,236**	**86,254**	**26,258**	**211,973**
Charge for the year	**12,580**	**253**	**1,875**	**3,073**	**17,781**
On disposals	**-**	**-**	**(20,246)**	**(11,716)**	**(31,962)**
Transfers to investment property	**(15,067)**	**-**	**-**	**-**	**(15,067)**
At 31 December 2024	**57,738**	**39,489**	**67,883**	**17,615**	**182,725**
NET BOOK VALUE					
At 31 December 2024	**89,528**	**6,003**	**13,270**	**5,518**	**114,319**
At 31 December 2023	164,710	5,056	11,903	5,398	187,067

The cost and depreciation balances at 1 January 2024 have been reclassified into new categories to show a more accurate analysis of tangible fixed assets.

The total net book value of tangible fixed assets for the year ended 31 December 2023 remains unchanged.

16. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2024	**455,000**
Disposals	**(230,000)**
Revaluation	**153,258**
Transfers from freehold property	**68,742**
At 31 December 2024	**447,000**

The fair value of the investment property brought forward had been arrived at on the basis of a valuation carried out on 1 September 2022 by Carver Knowles, a RICS registered firm, who are not connected with the company. A subsequent valuation was carried out in September 2024 following the sale of an investment property and the subsequent removal of restricted covenants. Both valuations were made on an open market value basis by reference to market evidence of transaction prices for similar properties. The Trustees believe this to be a true and fair valuation at the year end.

17. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Total £
COST OR VALUATION			
At 1 January 2024	**783,952**	**327,388**	**1,111,340**
Additions	**51,000**	**456,313**	**507,313**
Disposals	**-**	**(210,000)**	**(210,000)**
Revaluations	**88,390**	**21,858**	**110,248**
AT 31 DECEMBER 2024	**923,342**	**595,559**	**1,518,901**
NET BOOK VALUE			
AT 31 DECEMBER 2024	**923,342**	**595,559**	**1,518,901**
AT 31 DECEMBER 2023	783,952	327,388	1,111,340

18. STOCKS

	2024	2023
	£	£
Goods for resale	**2,825**	2,924

19. DEBTORS

	2024	2023
	£	£
DUE WITHIN ONE YEAR		
Trade debtors	**113,083**	64,020
Other debtors	**7,774**	4,135
Prepayments and accrued income	**54,424**	44,687
	175,281	112,842

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	**45,867**	27,967
Other taxation and social security	**27,479**	9,566
Other creditors	**15,867**	20,397
Accruals and deferred income	**288,171**	192,449
	377,384	250,379

21. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2024 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Central Region	9,575	6,204	(3,946)	(1,800)	-	10,033
Cymru Region	282,727	6,608	(76,320)	(1,800)	6,310	217,525
Eastern Region	31,471	5,475	(4,821)	(1,800)	-	30,325
Marches Region	12,981	810	(2,840)	1,300	-	12,251
Northern Region	84,331	9,257	(19,531)	(1,800)	-	72,257
Northern Ireland Region	53,112	4,180	(15,489)	3,200	-	45,003
Scottish Region	56,034	219,198	(149,071)	(300)	-	125,861
South East Region	14,508	10,858	(5,236)	(1,800)	-	18,330
South West Region	25,487	900	(5,200)	(1,800)	-	19,387
South West Ram Sales	75,895	3,773	(3,264)	(500)	4,078	79,982
Wales & Border Ram Sales	138,949	132,964	(128,440)	-	2,209	145,682
	785,070	400,227	(414,158)	(7,100)	12,597	776,636
GENERAL FUNDS						
General Funds	1,156,160	895,777	(909,365)	63,042	244,421	1,450,035
Revaluation reserve	105,000	-	-	-	2,024	107,024
	1,261,160	895,777	(909,365)	63,042	246,445	1,557,059
TOTAL UNRESTRICTED FUNDS	2,046,230	1,296,004	(1,323,523)	55,942	259,042	2,333,695

21. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FUNDS						
British Heritage Sheep	**1,852**	**87**	**(326)**	**-**	**-**	**1,613**
Fabulous Fibre	**(453)**	**10,925**	**(6,257)**	**-**	**-**	**4,215**
Low Methane Sheep	**(214)**	**8,574**	**(6,574)**	**-**	**-**	**1,786**
RDPE	**28,820**	**-**	**-**	**(28,820)**	**-**	**-**
Erasmus	**14,372**	**-**	**-**	**(14,372)**	**-**	**-**
Welsh Government Grant	**12,750**	**-**	**-**	**(12,750)**	**-**	**-**
DEFRA Sheep Efficiency	**-**	**4,050**	**(287)**	**-**	**-**	**3,763**
	57,127	**23,636**	**(13,444)**	**(55,942)**	**-**	**11,377**
TOTAL OF FUNDS	**2,103,357**	**1,319,640**	**(1,336,967)**	**-**	**259,042**	**2,345,072**

21. STATEMENT OF FUNDS (CONTINUED)

British Heritage Sheep Project
This project was granted by "The Prince's Countryside Fund" and supports a feasibility study to address the key threats to our native sheep breeds, by helping develop a diversified sheepmeat market from the single "Standard Lamb", adding value for farmer-based outlets, and linking food, landscape and culture.

Fabulous Fibre
NSA joined with British Wool, the Centre for Excellence in Livestock (CIEL), Langrish Farmers and the Wool Testing Authority Europe (WTAE) for the project. This is a twelve-month project, aiming to increase value of wool through breeding and genetics. The goal is to conduct a feasibility study to evaluate the potential of reducing micron count of finer wool quality UK sheep breeds to increase productivity, sustainability and resilience for sheep farmers and the wool industry. This is measured by testing wool fibres to establish a micron value. Lower values are softer to the touch and more highly valued for making high-quality suits or layers worn next to skin and resulting in greater the value per kilogram. NSA is responsible for project managing, as well as sharing knowledge gained.

Breed for CH4nge – Breeding Low Methane Sheep Project
NSA is working with industry partners to breed low methane producing sheep, helping sheep farmers make a positive contribution to UK agriculture's journey towards net zero. The project runs from July 2023 for 3 years, following a total award of £2.9m from Defra's Farming Innovation Programme, which is being shared between the collaborative entities. The project is led by sheep genetics company Innovis and will measure methane emissions from a total of 13,500 sheep in 45 flocks, to collect data and build tools to genetically reduce methane emissions and improve the efficiency of the national flock.

RDPE Countryside Productivity Scheme Project to Tackle Sheep Scab
In January 2021, funding was awarded by Defra through the European Agricultural Fund for Rural Development for a project designed to demonstrate the effectiveness of a community-led approach to improve the control of sheep scab. The project focuses on three hotspot areas in England, where scab is highly prevalent: The South West (coordinated by the National Sheep Association); The Midlands (coordinated by ADAS) and The North West (coordinated by the Cumbrian Farmers Network). Running over two years, the project offers a great opportunity for farmers to work together, with their local vets and the project coordinators, to stamp out this costly disease, which is of high welfare concern. 300 participating farmers signed up to a unique combination of on-farm advice, best practice training and free blood testing using the sheep scab ELISA test developed by Moredun and available through Biobest Laboratories Ltd. This includes the costs of visits by their local vet to allow two sets of blood samples for ELISA testing, plus a face-to-face advisory visit by the vet for each farm to discuss scab control and biosecurity. This project has now completed and closed.

E-Organic Erasmus Project
NSA is the sole UK partner in an EU-funded Turkish-led research project called E-Organic Erasmus, running from early 2021 to the end of 2022. The project will collate information about organic livestock production systems (including but not limited to sheep) from across Europe into a free-to-access online resource. It will also allow nominated individuals from the participating countries (Italy, Spain, Turkey and the UK) to visit each other on study trips. This project has now completed and closed.

Welsh Government grant
Cymru/Wales Region have been successful in securing a grant from the Wales Cultural Recovery Fund which was set up to help protect sustainable businesses and organisations and as many jobs in the culture sector as possible in order to ensure the sector survives the Covid-19 crisis and remains viable and sustainable in 2021 and beyond. The funding was intended to cover the loss of income from the cancelled Welsh Sheep Event.

Sheep Efficiency Project
This is a Defra-funded project researching the attitudes, knowledge, experiences and practices of sheep farmers and breeders across the stratified sheep sector with an emphasis on genetic evaluation and selection. NSA's role is to provide stakeholder advice and support Adas (which is leading on the project) to get quantitative and qualitative information from sheep farmers in England and Wales.

21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Central Region	14,533	-	(3,358)	(1,600)	-	9,575
Cymru Region	194,415	163,526	(93,045)	(1,600)	19,431	282,727
Eastern Region	29,816	11,220	(7,965)	(1,600)	-	31,471
Marches Region	12,800	579	(2,798)	2,400	-	12,981
Northern Region	47,325	152,356	(113,750)	(1,600)	-	84,331
Northern Ireland Region	38,417	37,554	(27,259)	4,400	-	53,112
Scottish Region	66,616	29,668	(38,650)	(1,600)	-	56,034
South East Region	7,030	8,075	(3,997)	3,400	-	14,508
South West Region	8,353	82,214	(63,480)	(1,600)	-	25,487
South West Ram Sales	71,205	5,812	(5,308)	(500)	4,686	75,895
Wales & Border Ram Sales	130,269	134,808	(134,338)	(500)	8,710	138,949
	620,779	625,812	(493,948)	(400)	32,827	785,070
GENERAL FUNDS						
General Funds	1,176,997	714,655	(762,533)	345	26,696	1,156,160
Revaluation reserve	140,000	-	-	-	(35,000)	105,000
	1,316,997	714,655	(762,533)	345	(8,304)	1,261,160
TOTAL UNRESTRICTED FUNDS	1,937,776	1,340,467	(1,256,481)	(55)	24,523	2,046,230

21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
RESTRICTED FUNDS						
British Heritage Sheep	1,102	1,177	(427)	-	-	1,852
Fabulous Fibre	-	-	(453)	-	-	(453)
Low Methane Sheep	-	6,243	(6,457)	-	-	(214)
RoSA	-	-	(55)	55	-	-
RDPE	33,773	6,307	(11,260)	-	-	28,820
Erasmus	10,217	4,155	-	-	-	14,372
Welsh Government Grant	10,000	2,750	-	-	-	12,750
	55,092	20,632	(18,652)	55	-	57,127
TOTAL OF FUNDS	1,992,868	1,361,099	(1,275,133)	-	24,523	2,103,357

22. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2024 £
Designated funds	**785,070**	**400,227**	**(414,158)**	**(7,100)**	**12,597**	**776,636**
General funds	**1,261,160**	**895,777**	**(909,365)**	**63,042**	**246,445**	**1,557,059**
Restricted funds	**57,127**	**23,636**	**(13,444)**	**(55,942)**	**-**	**11,377**
	2,103,357	**1,319,640**	**(1,336,967)**	**-**	**259,042**	**2,345,072**

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
Designated funds	620,779	625,812	(493,948)	(400)	32,827	785,070
General funds	1,316,997	714,655	(762,533)	345	(8,304)	1,261,160
Restricted funds	55,092	20,632	(18,652)	55	-	57,127
	1,992,868	1,361,099	(1,275,133)	-	24,523	2,103,357

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	114,319	-	**114,319**
Intangible fixed assets	20,902	-	**20,902**
Fixed asset investments	1,518,901	-	**1,518,901**
Investment property	447,000	-	**447,000**
Current assets	609,957	11,377	**621,334**
Creditors due within one year	(377,384)	-	**(377,384)**
TOTAL	2,333,695	11,377	**2,345,072**

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	187,067	-	187,067
Intangible fixed assets	10,966	-	10,966
Fixed asset investments	1,111,340	-	1,111,340
Investment property	455,000	-	455,000
Current assets	512,306	77,057	589,363
Creditors due within one year	(230,449)	(19,930)	(250,379)
TOTAL	2,046,230	57,127	2,103,357

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net income for the period (as per Statement of Financial Activities)	**88,457**	145,489
ADJUSTMENTS FOR:		
Depreciation charges	**17,781**	9,470
Amortisation charges	**5,911**	2,741
Dividends, interests and rents from investments	**(57,404)**	(50,582)
Loss on the sale of fixed assets	**2,443**	-
Decrease in stocks	**99**	25
Increase in debtors	**(62,439)**	(2,518)
Increase/(decrease) in creditors	**127,005**	(72,388)
Revaluation of fixed asset investments	**(110,248)**	(59,523)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	**11,605**	(27,286)

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash in hand	**443,228**	473,597
TOTAL CASH AND CASH EQUIVALENTS	**443,228**	473,597

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	**473,597**	**(30,369)**	**443,228**

27. PENSION COMMITMENTS

The Charitable Company makes contributions, as part of an employee's contract of employment, which are payable to defined contribution schemes chosen by the employer. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £26,295 (2023: £24,871). Contributions totaling £Nil (2023: £36) were receivable to the fund at the Balance Sheet date and are included in debtors.

28. OPERATING LEASE COMMITMENTS

At 31 December 2024 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Not later than 1 year	**2,733**	2,878
Later than 1 year and not later than 5 years	**755**	2,152
	3,488	5,030

29. RELATED PARTY TRANSACTIONS

During the year, £60,088 (2023: £162) was paid to companies with directors in common control. At the year end £NIL (2023: £NIL) was due to these companies.

During the year, £9,871 (2022: £9,779) was received from companies with directors in common control. At the year end £NIL (2023: £NIL) was due from these companies.

The above transactions represent payments made under normal market conditions for goods, services and related expenses.

NATIONAL SHEEP ASSOCIATION

England & Wales - Charity number 249255

Accounts

Registered number: 00037818
Charity numbers: 249255 and SC042853

NATIONAL SHEEP ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Bishop Fleming

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1 - 2
Trustees' report	3
Independent auditors' report on the financial statements	11 - 15
Statement of financial activities	16
Balance sheet	17 - 18
Statement of cash flows	19
Notes to the financial statements	20 - 43

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees	Mr A Alderson Mr P Delbridge Dr Y P Le Du Mr H Dunn (resigned 1 May 2024) Mr J Farmer Mr A Foulds Mr C Sercombe Mr D Gregory Mr T Ward (resigned 1 May 2024) Ms K Hovers Miss C Hughes Mr P Myles (resigned 1 May 2024) Mr D Phipps (resigned 10 January 2024) Ms A McFadzean (resigned 3 May 2023) Ms D Colley (appointed 1 May 2024) Mr M Credland (appointed 1 May 2024) Ms P Nicol (appointed 11 August 2023) Mr P Derryman (appointed 1 May 2024) Mr J Wozencraft (appointed 1 May 2024)
Company registered number	00037818
Charity registered numbers	249255 and SC042853
Registered office	The Sheep Centre Malvern Worcestershire WR13 6PH
Honorary President	Lord Inglewood
Chief executive officer	Mr P Stocker
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Bankers	Lloyds Bank plc Malvern Worcestershire WR14 4QG

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Solicitors	Roythornes Enterprise Way Pinchbeck Spalding Lincolnshire PE11 3YR
Investment advisors	Rathbones George House 50 George Square Glasgow G2 1EH

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their Annual Report and audited financial statements of the Company for the year 1st January 2023 to 31st December 2023. The Annual Report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2019). Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Summary of objectives and activities.
The charitable object of NSA is 'to encourage and improve breeding, management and promotion of sheep as a species and as an activity in the UK 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 its objects, in that NSA takes a broad interpretation of 'promotion of the activity' to encompass the setting up of private and public dialogue with organisations and individuals whose vested interests might affect beneficially or adversely the sheep industry.

NSA continues to split these organisations and individuals into two groups. The priorities for the first group (NSA members, other sheep farmers, ancillary service providers and agricultural organisations) are growing membership, promoting best practice, highlighting industry changes/trends and encouraging younger farmers via the NSA Next Generation initiative. For the second group (policymakers, opinion influencers and the general public) it is increasing the appreciation of sheep farming, highlighting its contributions to economics, health, environment and society. Work with both groups continued to be done at a UK and regional level, taking into account that agricultural policy is mostly devolved across the four UK nations and that sheep farming varies greatly in different regions, but also emphasising the vital role NSA has in optimising consistency where possible and minimising any disruption caused by the devolved nation borders of England, Wales, Scotland and Northern Ireland.

The highlight of 2023 was not only being able to return to a full face-to-face calendar of NSA regional sheep events but also adding a new event to NSA's biennial calendar in the form of the NSA Sheep Farmers' Conference. NSA continues to pride itself on the role its events, ram sales, regional activities, written publications, and online webinars have in encouraging and improving best practice amongst sheep farmers, providing essential networking platforms and encouraging the next generation.

Having made the decision to leave the European Union in 2016, 2023 was the first year that farmers really started to see the impact on support payments received. NSA has been communicating on that topic for a long time and is proud of significant steps taken to inform and influence the debate in all four UK nations so sheep farmers can continue to deliver economic, health, environmental and society benefits.

b. Main objectives for the year.
There was no fundamental change to NSA's objectives for the year to deliver the association's vision: NSA believes in an optimum and resilient UK sheep population that is inherently healthy and able to cope with disease and parasite challenges. Diverse in its structure, contributing to feeding and providing fibre for an increasing global population, while adapting to the effects of and responding to the challenges of climate change and sustainable land management. We see our reputation being enhanced by working in harmony with areas of public interest – playing our part in mitigating global warming, improving our environment and ecology, enhancing landscapes, wise and responsible resource use, and protecting and creating culture and rural employment. Our vision is one of the people involved in keeping sheep being enthusiastic, knowledgeable and aspiring to best practice – and those not keeping sheep increasingly aware of the core aspects of sheep farming and appreciative of the contribution sheep make to society. Maximising membership numbers and the profile of and respect for NSA are critical to this.

c. Main aims and significant activities for achieving objectives.

The aim for NSA both in terms of its charitable objectives and delivering its vision for the UK sheep sector is to deliver good communications to the two groups of people outlined above. Communicating to sheep farmers, to encourage them to be at the top of their game relies on strong membership numbers – and a significant activity in this area was investing in a new membership database to both better service existing members and target potential new members. It was also evolving a post-covid calendar of events which, as NSA operates on a biennial calendar, took both 2022 and 2023 to achieve. This calendar now includes a healthy mix of face-to-face and online events, activities and campaigns. Communicating to policymakers, opinion influencers and the general public continued in very much the same vein as in previous years, with NSA continuing to write consultation responses and provide verbal input to government select committees and other government-led meetings and forums, as well as press releases, public-facing information on the NSA website and public-facing social media posts. NSA continues to be invited to engage and input to an increasing number and range of meetings and forums, which emphasises the esteem in which the organisation is held, and the quality of the work done to encourage and improve UK sheep farming.

d. Volunteers

NSA is hugely reliant on the many volunteers within its network and that continued to be the case in 2023, with multiple officeholders attending meetings and organising events, ram sales and regional activities. Of particularly note in 2023 were the volunteers that made the four regional sheep events possible – NSA Sheep South West, NSA Welsh Sheep, NSA North Sheep and NSA Sheep Northern Ireland. All of NSA's work, not just the sheep events, is only possible thanks to the many volunteers who work tirelessly on behalf of the organisation, and the Trustees would like to take this opportunity to thank them all.

e. Main activities undertaken to further the Company's purposes for the public benefit.

As outlined in the NSA vision for the sheep sector, sheep farming provides a plethora of public goods. Inaccurate claims are frequently made against the sustainability of livestock farming in the mainstream media and, whilst NSA works hard to counteract this, 2023 also saw an increased effort by the organisation to educate and inform sheep farmers that these inaccuracies do not mean the UK sheep sector doesn't need respond to the global climate change and biodiversity challenge. This key message is now a core part of NSA's long-standing work to provide best practice information to its members.

Achievements and performance

a. Main achievements of the Company.

- Attendance of NSA staff and/or officeholders regularly requested at high level government meetings, including those developing new farming support schemes. Examples include:
  - In England, continued involvement in the development of the Defra Animal Health & Welfare Pathway, specifically in the Endemics Disease Programme to be launched in 2024.
  - Also in England, continued involvement in the Sustainable Farming Incentive with success in widening the programme to the uplands, tenants and new entrants.
  - In Wales, ensuring the proposed Sustainable Farming Scheme is fit for purpose and can be embraced by sheep farmers.
  - In Scotland, being called upon as key stakeholder in cross industry groups to ensure the Scottish Agriculture Bill is fit for purpose and delivers for agriculture. NSA chairs two sheep health groups on behalf of Govt and industry, one on sheep scab and another on OPA.
  - In Northern Ireland, acting quickly to get sheep farming included in policies that initially only included support for cattle. Working to get understanding of the Northern Ireland protocol, and then the Windsor Framework, setting the foundation for trade between GB and NI and vice versa.
- Active involvement in industry-wide discussion about the future of farm assurance and how it can add value to British produce and ensure a fair retailer landscape.
- Providing informed comment on the role of sheep in the UK uplands, resulting in a government-led enquiry into stocking rate proposals for Dartmoor and the impacts on wildlife and rural communities.
- Successful communication of the unintended negative impact of vet attestation legislation and having the change delayed by 12 months to allow the sheep sector to adapt to the change.
- Quick reaction to a bluetongue disease outbreak in autumn 2023, and Schmallenberg virus in early 2024, supporting members with up-to-date information and pushing for vaccine availability for BTV 3, in particular.

- Success in raising high level recognition of inadequate sheep vaccine availability, vaccines being a key part of improving sheep health as well as reducing antibiotic use and contributing to the Global One Health initiative. NSA work led directly to an initiative by the Veterinary Medicines Directorate to bring all stakeholders together to explore reasons for vaccine shortages and start to look at solutions.
- Delivery of the updated UK Sheep Welfare Strategy on behalf of the Ruminant Health and Welfare Group in November 2023.
- Involvement in the cross-industry update to the sheep dipping code of practice, working with the Sustainable Control of Parasites in Sheep (SCOPS) group, amongst others.
- Commission of a report into the sustainability of the UK sheep sector, working with the School of Sustainable Food & Farming at Harper Adams University, to be completed in mid-2024.
- Support of the AHDB Beef & Lamb Roadmap for climate change and livestock emissions.
- Completion of various research projects, including:
  - For Flock's Sake (2021-2023) targeting sheep scab 'hotspots' to reduce disease incidence.
  - Erasmus E-organic (2021-2023) with partners in Spain, Italy and Turkey.
  - MSD vaccine trial (2021-2023) encouraging sheep vaccine uptake by young sheep farmers.
  - Zolvix Exchange (2023) encouraging use of newer internal sheep parasite medicines.
- Successful grant funding application for new projects, including:
  - Fabulous Fibre (2023-24), research led by NSA to investigate role of genetics in wool quality.
  - Breed for CH4ge (2023-2025), partner in research to investigate role of sheep genetics in methane emissions.
- Further development of the NSA Next Generation programme, with a two-year programme of workshops (2023-2024) created to deliver best practice sheep farming messages on health, breeding, nutrition and management to young people, and the Next Generation travel bursary programme revived post-covid.
- Delivery of four NSA sheep events and six NSA ram sales between May and September 2023, plus a new NSA Sheep Farmers' Conference in October 2023 within an online Sheep Health Week campaign that included three health-focussed webinars.
- Implementation of new membership database, vastly improving the ability of NSA to manage membership subscriptions and recruitment activities.

b. Key performance indicators.

- **External. Economics.** NSA considers the size and productivity of the national flock to be the most accurate indicator of the health and sustainability of the sector. The national flock and number of sheep keepers slightly reduced in size in 2023, likely due to higher input costs and lower farm support payments, but output has not fallen as fast, which is a positive sign that producers are implementing various elements of best practice to produce more lamb per ewe.
- **External. Health.** The drive for a healthy national flock continues, with NSA at the forefront of cross-industry activity. This includes government policy (such as the Defra Health & Welfare Pathway that NSA has helped co-design), academic research (such as the For Flock's Sake sheep scab project that NSA was a delivery partner for), NSA-led activities (such as the NSA Sheep Farmers' Conference and associated Sheep Health Week) and NSA-supported industry partnerships (such as RUMA and the antibiotics target task force and the Sheep Antibiotics Group's Healthy Feet Happy Sheep campaign). Levels of activity and engagement were high throughout 2023.
- **External. Environment.** As referenced elsewhere in this report, NSA is continuing to highlight both the positive contribution the sheep sector is already making to the environment and the need for producers to take further action. NSA continued to push this as a general theme in 2023 (such as through its involvement in the Agriculture and Land Use Alliance) and get involved in specific activities (such as the Breed For CH4ge low methane genetics project).
- **External. Society.** While NSA has long extolled the importance of sheep farms within rural communities, this came to the fore in 2023 with wider acceptance that future land needs to include agriculture and not exclude it. One example is increased dialogue about NSA's position that the right-tree-in-the-right-place approach to increase tree planning to allow people to continue to live in the countryside rather than turning large areas of prime agricultural land over to forestry.

- **Internal. Membership.** Despite many NSA members retiring or exiting the industry in 2023, NSA saw a relatively small fall in membership thanks to ongoing recruitment activity, both at physical events and via online campaigns. NSA has successfully moved some of the membership renewal process to email to reduce postage costs but acknowledges that members like to receive a physical membership card and six editions of Sheep Farmer magazine in the post.
- **Internal. Association profile.** NSA has been credited with many high-profile successes in 2023, such as increasing accessibility to SFI, prompting a review of farm assurance and delaying the implementation of vet attestations. This emphasises its ever-increasing role as a respected source of accurate information on the sheep sector.
- **Internal. Finances.** In addition to detailed updates elsewhere in this report, a key area of activity on 2023 was assessing the NSA Head Office site at Malvern, Worcestershire and exploring ways to maximise this asset better. A decision was made to sell Firs Farmhouse back to the Three Counties Agricultural Society (which sold that and the rest of the Sheep Centre site to NSA in the late 1980s) and negotiate the release of covenants covering the rest of the site and limiting NSA options. This will go ahead in mid-2024.
- **Internal. Governance.** Two interim Board meetings were held in 2023, to allow Trustees increased opportunities to scrutinise activities in addition to the normal quarterly meetings. These were to keep pace with the high volume of work being done by NSA staff and officeholders. A successful transition period was delivered with the long-standing member of staff who looked after governance and management of the Trustees passing systems on before her retirement, and work continuing on an NSA Operating Manual to bring governance and associated policy papers into one place.
- **Internal. Staff.** Retention levels of employed staff and regional managers/organisers remains high and the appointment of a new NSA Support & Activities Officer (detailed elsewhere in this report) strengthened links between NSA Head Office and NSA regions/events.

c. Review of activities. Structures are in place for regular reviews of activity, primarily through quarterly Board and other committee meetings, but also regular Senior Management Meetings and quarterly reporting structures. Regional managers and event/ram sale organisers also meet regularly.

d. Factors relevant to achieve objectives. Continued priorities for NSA have been quick reactions to an ever-changing agenda of sheep-related topics, excellent internal communication (both within the staffing structure and with the wider network of NSA committee members and other officeholders) and empowerment of staff members to take responsibility for topics and projects delegated by the Chief Executive.

e. Fundraising activities and income generation. NSA continues to spread its risk by bringing in income from membership subscriptions, sponsorship, events, project funding and other sources, rather than relying solely on one source. All income streams and significant expenditure continue to be monitored regularly, but there are no significant changes to report in relation to 2023.

f. Investment policy and performance. The NSA Head Office investment with Rathbones is on a medium risk tolerance with the performance viewed in the medium/long term (three to five-year cycles). Rathbones has the discretion to manage the portfolio based on an investment policy agreed by Trustees. Performance of the Rathbones portfolio and investments by NSA regions and ram sales with CCLA and NFU Mutual were tracked in 2023 via quarterly report to the Board. Additional quarterly reports were bank balances (with and without investments included) and net worth. Due to concerns by Trustees that NSA Head Office investments have not performed as well as other NSA investments in 2023, it was agreed to open additional investment products with CCLA – something that was being actioned as this report was prepared in 2024. In 2022 the Trustees raised concerns about total NSA funds held in high street banks exceeding the £85k per institution protection limit of the Financial Services Compensation Scheme. Action to reduce this risk was taken in 2023 and will continue into 2024. Overall, the performance of the investments in 2023 was good, particularly when compared to 2022, although it must be noted that the increase in investments during the period was some cash being converted into investments and not just gain on existing investment funds. NSA has long held high levels of reserves and, due to improved tracking of cash flows, was able to reduce this in 2023.

Financial review

a. Overview. The financial position at the end of 2023 shows an increase over 2022, with the total closing reserves at £2,103,357 (2022 £1,992,868), an increase in funds of 5.5%.
The increase of £110,489 comprises a strong operating contribution of £85,966 together with an increase in investments of £59,523, offset by a revaluation loss of £35,000. This provides a secure basis for managing the varying cashflows that result from the two-year cycle of events.
The annual operating contribution has averaged £120,490 over the two-year cycle of 2022 and 2023, this provides a sound basis for supporting the varied activities of NSA across the coming years.
NSA maintained a flexible balance between investments and working capital, as shown on page 18. NSA has a number of strong income streams, in particular from membership subscriptions, which means the association is not solely reliant on event income to support its activities. This income spread is illustrated on page 26 and the supporting notes.

b. Going concern. NSA has neither the intention nor the need to cease its work or significantly reduce the scale of its work. The long-term viability of NSA is something the NSA Trustees and staff regularly consider, with risks and potential risks to the association discussed on a regular basis and expenditure and income across the entire association closely monitored. NSA works hard to ensure membership subscriptions remain as stable as possible, even in the face of continued consolidation of sheep farming businesses within the UK. NSA also ensures it is not reliant on membership subscriptions alone, drawing funds from sponsorship, advertising, business-to-business trade events, online events, externally funded projects and other income streams. Should income fall below our projections, the association has reserves which can be drawn on if required.

c/d. Reserves policy and investment policy. The reserves policy for NSA continues to be to hold sufficient free reserves at NSA Head Office to cover more than one month's salary costs, for NSA ram sales to be equivalent to 12 months of expenditure, and for NSA regions to be equivalent to 24 months of expenditure, as these are the periods between the major fundraising events where income is generated. While reserves have tracked above this in past years, more money has been invested in 2023 rather than held as free reserves and this will continue in 2024 as NSA continues to improve systems for tracking cashflow and investing funds to make a return that benefits the organisation.

e. Principal risks and uncertainties. NSA overhauled its Risk Assessment & Register in 2023, creating a document with five sections – governance, operational, financial, external and compliance – and giving risks within those sections a traffic light colour (red/high risk, amber/medium, green/low) depending on their likelihood versus potential impact. Where the risk assessment identifies a specific action, these are detailed in a risk register and targets set accordingly. Whereas this document has always been reviewed by the Trustees on a six-monthly basis, it is now also discussed by NSA staff members. The risks NSA is exposed to have not fundamentally changed as a result of this activity, but they are better understood and associated actions better integrated into NSA activity. One risk that reduced in 2023 was NSA reliance on single members of staff for essential activities (for example, administering the payroll and payment runs) as other staff members were given training. One risk that was considered to have increased was the possibly of loss of income through NSA events being cancelled because of animal diseases outbreaks (specifically the re-emergence of bluetongue) which further heightened NSA's awareness of not relying on a single fundraising activity.

f/g. Fundraising policy and principal funding. NSA does not use professional fundraisers and does not fundraise through public appeals. It did not receive any complaints about fundraising activities in 2023. The association has worked hard over the last decade to diversify income streams and, while members subscriptions remain the most important, so too are corporate sponsorship packages, business-to-business trade events (known as NSA sheep events), advertising sales (mainly in the Sheep Farmer magazine), grant funding for research projects and the HMRC Gift Aid claim. All events and activities have budgets prepared in advance having regard to risks. The content and sponsors of events are chosen by committees to be appropriate to the aims of the association. There are financial controls in place to reduce the risk of fraud and financial loss. There is regular liaison and reporting between regions, ram sales and head office to monitor fundraising activities. NSA occasionally receives legacies but, due to not knowing about these in advance, does not rely on this as an income stream or make assumptions about legacies in annual budget.

A single legacy of £5k was received in 2023, from a member who wanted to recognise the work of NSA via her final will and testament.

Structure, governance and management

a. Constitution. During 2022 NSA was a Company Limited by Guarantee governed by its Memorandum and Articles of Association dated 21st December 1892 and most recently amended at the 2015 AGM 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 £1. If members approve it, NSA is looking to amend the Articles of Association at the AGM in August 2024 – to provide clarity on the role of the Chair and create provision for a Vice Chair to be elected in the final year of the Chair's three-year term.

b. Methods of appointment or election of Trustees. There were 15 Trustees, who are also directors for the purpose of company law, who served during 2023. One Trustee reached the end of their second three-year term in May 2023 – Aileen McFadzean – and one new Trustee was elected at this time – Pamela Nicol. Between the end of the financial year and the production of this report, four additional trustees reached the end of their terms and were replaced. Having been a Trustee for two three-year terms and Chair of the Trustees for a further three years, Dan Phipps was thanked for his services to NSA in January 2024 when he stepped down. The Board elected Peter Delbridge, a Trustee of six years' standing to replace him. To fill the vacancy left by Peter Delbridge, Peter Derryman was elected in May 2024. A further three Trustees reached the end of their second three-year terms in early 2024 – Henry Dunn, Peter Myles and Tim Ward – and they were replaced in May 2024 by Michael Credland, Deborah Colley and Paul Wozencraft respectively. Trustee nominations and appointments are as per the Articles of Association. When a Trustee is appointed, they are informed of their responsibilities and duties as a Trustee Director and given copies of Charity Commission guidance and NSA printed information. An induction session is also provided, to give the Trustee an in-depth understanding of the NSA structure and operations from the outset.

c. Organisational structure and decision-making policies. The Trustee Directors administer the Charity and Company. There are a minimum of four Board meetings each year, plus an increasing number of interim meetings as detailed elsewhere in this report. The Trustees delegate responsibility to the NSA Finance Scrutiny Committee, which is a task-and-finish group requested by the Board to look at specific topics. In 2023 these included reviewing the NSA Gift Aid claims process and assisting in exploration of ways to maximise the NSA Head Office site. The Trustees also delegate responsibility to the NSA UK Policy & Technical Committee to discuss NSA positions and activity on regulation, policy, research and development work affecting the sheep sector. This sub-committee meets a minimum of four times a year and invited a number of guest speakers in 2023 to further enhance the work of this committee, which include a range of elected officeholders and staff members. Each of the devolved nations has its own committee, as well as six regional committees in England feeding into the NSA English Committee. The Chief Executive manages the day-to-day operations, having regard to the decisions of the Board.

d. Management and staff in 2021. Philip Stocker continued as NSA Chief Executive in 2023 and, for the majority of the year, led a team of 15 employed staff including himself – five full-time, seven part-time and three on zero hours contracts whose time varied depending on volumes of work. The staffing structure was the Chief Executive and Operations Director having regular Senior Management Team meetings with the Trustees serving as Chair and Honorary Treasurer, with a Management Team below that (created in 2020) taking an increasing amount of responsibility and decisions. The Management Team was the Communication Manager, Project Manager and Policy Manager. A significant addition to the staff team was a Support and Activities Officer in late 2022, a new position that came into its own in 2023, providing support from NSA Head Office to regional officeholders and driving forward the NSA Next Generation programme and other NSA activities. An Association Manager was also recruited in late 2022, in anticipation of the long-standing Association Secretary retiring in late 2023. The Association Secretary worked on a zero hours contract until mid-November 2023, which ensured a good transition period during the year, particularly around NSA governance.

The Membership Officer recruited in late 2022 did not pass the probation period but a second round of recruitment in January 2023 was successful in finding an individual who suited the role and NSA team well.

Late 2023 saw a great deal of discussion about creating a new, full-time position in the organisation, to ensure the Chief Executive was able to use his time and expertise most effectively. The position of Assistant to the Chief Executive was signed off by the Board in late 2023 and, between the end of the end of the financial year and the production of this report, the position was successfully filled and is already making a positive impact.

This took the staff head count back up to 15 but with six individuals working full-time, seven part-time and two on zero hours contracts. Also, between the end of the financial year and the production of this report, the Digital Communications Officer left for a different company within the agricultural sector and a replacement successfully recruited in April 2024.

e. Pay policy for key management personnel. The Senior Management Team discusses individual salaries and proposes a total salary figure to Trustees within the annual budget. The Chair and Honorary Treasurer, which form part of that Senior Management Team, provide an annual appraisal for the Chief Executive. All other staff members go through an appraisal process with their line manager, which helps inform decisions about the staffing structure and salaries. An inflationary pay rise was given to staff members in early 2023 and, to reflect the cost-of-living crisis at that time, a one-off cost of living payment was also given to all staff. Budget discussions in late 2023 also agreed an inflationary pay rise to be implemented in early 2024. In addition to salaries, all staff can claim expenses in line with the set expenses policy.

A decision relating to all staff that was taken after the end of the financial year but before the production of this report was to increase the standard holiday allocation. NSA was offering the statutory 20 days annual leave but increased this to 25 days from 1st January 2024, as Trustees felt this was more on a par with other employers within the agricultural sector and that rewarding staff with above-statutory holidays increases motivation and aids with staff recruitment/retention.

f. Related party relationships. Details of related party transactions are detailed in note 14 of the Financial Statement. Income received from and expenditure with related parties was in pursuit of NSA's charitable objectives. There are no related parties that either control or significantly influence the decisions and operations of NSA.

g. Financial risk management. Finances are a specific section within the NSA Risk Assessment & Register, as detailed elsewhere in this report. Trustees track financial KPIs (bank balances, investment performance and net worth) and compare the budget to quarterly actuals. In addition, staff meet regularly to discuss major income streams, including membership recruitment and retention, financial tasks (e.g. debt chasing), project management and commercial opportunities. The introduction of a new event in 2023 – the NSA Sheep Farmers' Conference – was managed very carefully to ensure it at least broke even as a commercial activity in its first year and, like all NSA activities and events, had a separate mini-budget within overall NSA Head Office budget. NSA regions and ram sales have become more consistent in producing and sharing budgets too.

h. Trustees' indemnities. Each member of NSA, including the Trustees, undertakes to contribute to the assets of the company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required not exceeding £1 for the debts and liability contracted before they cease to be a member.

Statement of Trustee' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors. Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors. The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on ……17.7.24…… and signed on its behalf by:

David Gregory
Treasurer

Peter Delbridge
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL SHEEP ASSOCIATION

OPINION

We have audited the financial statements of National Sheep Association (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the industry and sector, control environment and business performance;
- We have considered the results of our enquiries of management and the Chair of the Board about their own identification and assessment of the risk of irregularities
- For any matters identified we have obtained and reviewed the Charity's documentation of their policies and procedures relating to;
    - Identifying, evaluating and complying with laws and regulations whether they were aware of any instances of non-compliance;
    - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
    - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team, including internal tax specialists regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Revenue recognition; and
- Accounting estimates.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities SORP (FRS 102) - Accounting and Reporting by Charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations and employment legislation.

Audit response to risks identified:

As a result of performing the above procedures, we have identified revenue recognition and accounting estimates as key audit matters related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- Documenting and validating the control environment for income and debtors and carrying out walkthrough testing;
- Undertaking substantive sample-based testing or proof in total calculations on all material revenue streams to ensure revenue has been recognised appropriately and accurately;
- Considering manual income journals as part of our work on fraud risks documented above;
- Reviewing the financial statement disclosures and testing to supporting documentation;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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

USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees and 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Wood FCCA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 23rd September 2024

Bishop Fleming LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	**68,294**	**3,500**	**71,794**	80,340
Charitable activities	5	**667,142**	**17,132**	**684,274**	713,923
Other trading activities	6	**544,805**	**-**	**544,805**	501,131
Investments	7	**50,582**	**-**	**50,582**	45,305
Other income	8	**9,644**	**-**	**9,644**	17,251
Total income		**1,340,467**	**20,632**	**1,361,099**	1,357,950
Expenditure on:					
Charitable activities	9	**1,256,481**	**18,652**	**1,275,133**	1,202,936
Total expenditure		**1,256,481**	**18,652**	**1,275,133**	1,202,936
Net income before net gains/(losses) on investments		**83,986**	**1,980**	**85,966**	155,014
Net gains/(losses) on investments		**59,523**	**-**	**59,523**	(96,713)
Net income		**143,509**	**1,980**	**145,489**	58,301
Transfers between funds	21	**(55)**	**55**	**-**	-
Net movement in funds before other recognised gains/(losses)		**143,454**	**2,035**	**145,489**	58,301
Other recognised gains/(losses):					
(Losses)/gains on revaluation of fixed assets		**(35,000)**	**-**	**(35,000)**	140,000
Net movement in funds		**108,454**	**2,035**	**110,489**	198,301
Reconciliation of funds:					
Total funds brought forward		**1,937,776**	**55,092**	**1,992,868**	1,794,567
Net movement in funds		**108,454**	**2,035**	**110,489**	198,301
Total funds carried forward		**2,046,230**	**57,127**	**2,103,357**	1,992,868

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 43 form part of these financial statements.

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00037818

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	14	**10,966**	-
Tangible assets	15	**187,067**	171,218
Investments	17	**1,111,340**	952,817
Investment property	16	**455,000**	490,000
		1,764,373	1,614,035
Current assets			
Stocks	18	**2,924**	2,949
Debtors	19	**112,842**	110,324
Cash at bank and in hand		**473,597**	588,327
		589,363	701,600
Creditors: amounts falling due within one year	20	**(250,379)**	(322,767)
Net current assets		**338,984**	378,833
Total assets less current liabilities		**2,103,357**	1,992,868
Total net assets		**2,103,357**	1,992,868
Charity funds			
Restricted funds	21	**57,127**	55,092
Unrestricted funds	21	**2,046,230**	1,937,776
Total funds		**2,103,357**	1,992,868

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mr D Gregory
Treasurer
Date: 17.7.24

Mr P Delbridge
Chair

The notes on pages 20 to 43 form part of these financial statements.

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	24	**(27,286)**	80,597
Cash flows from investing activities			
Dividends, interests and rents from fixed asset investments		**50,582**	45,305
Proceeds from the sales of fixed assets		**-**	892
Purchases of fixed assets		**(39,026)**	(3,608)
Proceeds from the sales of fixed asset investments		**61,000**	39,113
Purchase of fixed asset investments		**(160,000)**	(108,757)
Net cash used in investing activities		**(87,444)**	**(27,055)**
Change in cash and cash equivalents in the year		**(114,730)**	**53,542**
Cash and cash equivalents at the beginning of the year		**588,327**	534,785
Cash and cash equivalents at the end of the year	25	**473,597**	588,327

The notes on pages 20 to 43 form part of these financial statements

1. GENERAL INFORMATION

National Sheep Association is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is The Sheep Centre, Blackmore Park Road, Malvern, Worcestershire, WR13 6PH.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

National Sheep Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investments properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

2.2 GOING CONCERN

NSA has neither the intention or the need to cease its work or significantly reduce the scale of its work. The long-term viability of NSA is something the NSA Trustees and staff regularly consider, with risks and potential risks to the association discussed on a regular basis and expenditure and income across the entire association closely monitored. NSA works hard to ensure membership subscriptions remain as stable as possible, even in the face of continued consolidation of sheep farming businesses within the UK. NSA also ensures it is not reliant on membership subscriptions alone, also drawing funds from sponsorship, advertising, business-to-business trade events, online events, externally funded projects and other income streams. Should income fall below our projections, the association has reserves which can be drawn on if required.

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 INTANGIBLE ASSETS AND AMORTISATION

Intangible assets are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2. ACCOUNTING POLICIES (continued)

2.5 INTANGIBLE ASSETS AND AMORTISATION (CONTINUED)

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset over its expected useful life.

Amortisation is provided on the following basis:

Computer software	-	20 % Straight line basis

2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £200 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Land and Building	- 2% - 5% Reducing balance
Motor vehicles	- 25% Reducing balance
Fixtures and fittings	- 10-25% on Cost / 20-25% Reducing balance

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

2.7 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as ‘Gains/(Losses) on investments’ in the Statement of financial activities.

Investment property, which is property held to earn rentals and/or capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year. No depreciation is charged on investment property.

Although this accounting policy is in accordance with FRS102 section 16, the lack of depreciation is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the trustees, compliance with the standard is necessary for the financial statements to give a true and fair view and in all other respects the Charity has complied with the Act. As a result, the value of investment property in the balance sheet is higher, and the depreciation charge in the statement of financial activities lower than they would be under the requirements of the Act.

2. ACCOUNTING POLICIES (continued)

2.8 STOCKS

Stocks are stated at the lower cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

2.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.12 FINANCIAL INSTRUMENTS

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.14 PENSIONS

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2. ACCOUNTING POLICIES (continued)

2.15 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Estimated useful lives of tangible fixed assets
In determining the estimated useful life the Charity considers the expected physical wear and tear of the asset that could lead to obsolescence of the asset. Each year the Charity reviews the above to establish if there is any change in the expected useful life of tangible assets.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Investment property valuation
The investment property is held at fair value and the original valuation was carried out on 1 September 2022 by Charles Knowles, a RICS registered firm. It was arrived at by reviewing the market for transaction prices for similar properties. Each year the Charity reviews this valuation, to determine whether they still considered this to be accurate at the year end.

Deferred subscription income
Annual membership renewals occur throughout the year, so when the charity receives member's subscription income in the current year, some of this may relate to the following year. This part is treated as deferred income in the current accounting period and will be recognised in the statement of Financial Activities in the following accounting period.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations from Gift Aid	57,323	-	**57,323**	34,149
Other donations	10,971	-	**10,971**	45,321
Grants	-	3,500	**3,500**	870
	68,294	3,500	**71,794**	80,340
TOTAL 2022	80,340	-	80,340	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Ram Sales	122,738	-	**122,738**	115,696
Sheep Farmer Advertising	105,526	-	**105,526**	121,175
Other Charitable Income	53,460	427	**53,887**	47,582
Sustainable Control of Parasites in Sheep	6,775	-	**6,775**	5,325
Membership Services	378,643	-	**378,643**	357,640
Low Methane Sheep	-	6,243	**6,243**	-
RDPE Moredun project	-	6,307	**6,307**	66,375
Erasmus project	-	4,155	**4,155**	130
	667,142	17,132	**684,274**	713,923
TOTAL 2022	637,091	76,832	713,923	

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Fundraising events	544,805	**544,805**	501,131
TOTAL 2022	501,131	501,131	

7. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Rental income	21,348	**21,348**	20,339
Investment income	23,337	**23,337**	23,595
Interest receivable	5,897	**5,897**	1,371
	50,582	**50,582**	45,305
TOTAL 2022	45,305	45,305	

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Other income	2,861	**2,861**	13,398
Promotional items	4,691	**4,691**	2,177
P & O Booking Service	2,092	**2,092**	1,676
	9,644	**9,644**	17,251
TOTAL 2022	17,251	17,251	

9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Breeding Improvement Other Costs	94,588	-	**94,588**	98,605
Membership Services and Enquiries	217,210	-	**217,210**	124,677
Education and Promotion Other Costs	423,988	18,652	**442,640**	617,207
Fundraising Costs	520,695	-	**520,695**	362,447
	1,256,481	18,652	**1,275,133**	1,202,936
TOTAL 2022	1,160,012	42,924	1,202,936	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Breeding Improvement Other Costs	94,588	-	**94,588**	98,605
Membership Services and Enquiries	10,645	206,565	**217,210**	124,677
Education and Promotion Other Costs	195,509	247,131	**442,640**	617,207
Fundraising Costs	282,900	237,795	**520,695**	362,447
	583,642	691,491	**1,275,133**	1,202,936
TOTAL 2022	565,116	637,820	1,202,936	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Breeding Improvement Other Costs 2023 £	Membership Services and Enquiries 2023 £	Education and Promotion Other Costs 2023 £	Fundraising Costs 2023 £	Total funds 2023 £	Total funds 2022 £
SCOPS	-	-	2,422	-	**2,422**	2,352
Sheep Farmer costs	-	-	54,131	-	**54,131**	57,777
Design and Printing	-	-	29,939	-	**29,939**	28,374
Next Generation Ambassadors	-	-	12,583	-	**12,583**	9,615
Branding and Merchandise	-	-	1,996	-	**1,996**	1,302
Moredun Initiative	-	-	7,500	-	**7,500**	7,500
Regional Secretaries & Officers fees	-	-	61,312	-	**61,312**	58,099
Membership Promotion	-	10,645	-	3,574	**14,219**	14,965
Ram sale expenses	83,291	-	-	-	**83,291**	86,192
Storage of Semen	9,534	-	-	-	**9,534**	10,945
P & O Expenditure	1,763	-	-	-	**1,763**	1,468
Subscriptions for other bodies	-	-	2,381	-	**2,381**	3,492
Awards and Donations	-	-	4,593	-	**4,593**	280
Costs of generating funds	-	-	-	279,326	**279,326**	239,831
RoSA project	-	-	55	-	**55**	323
RDPE Moredun project	-	-	11,260	-	**11,260**	32,602
Erasmus project	-	-	7,337	-	**7,337**	9,999
	94,588	10,645	195,509	282,900	**583,642**	565,116
TOTAL 2022	98,605	14,965	211,715	239,831	565,116	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Membership Services and Enquiries 2023 £	Education and Promotion Other Costs 2023 £	Fundraising Costs 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	141,522	99,360	165,109	**405,991**	388,717
Depreciation and Amortisation	5,582	3,314	3,315	**12,211**	9,632
Printing, Photocopying, Postage & Stationary	13,319	15,538	15,538	**44,395**	54,930
General Office Expenses	2,138	2,494	2,495	**7,127**	3,268
Telephone, Computer & Website	10,603	12,370	12,370	**35,343**	23,492
Travel Expenses & Subsistence	17,453	20,363	20,363	**58,179**	39,845
Rates, Utilities & Insurance	7,867	9,178	9,178	**26,223**	20,596
Property Repairs	2,918	3,403	3,403	**9,724**	10,213
Legal & Professional	1,739	2,029	2,029	**5,797**	3,116
Accountancy	1,005	1,172	1,173	**3,350**	1,695
Bank Charges	1,848	2,156	2,156	**6,160**	8,432
Bad Debts	571	666	666	**1,903**	2,066
Governance - Audit Fees	-	12,750	-	**12,750**	12,135
Governance - Staff Costs	-	56,608	-	**56,608**	53,556
Board and AGM Meeting Costs	-	5,730	-	**5,730**	6,127
	206,565	247,131	237,795	**691,491**	637,820
TOTAL 2022	109,712	405,492	122,616	637,820	

11. AUDITORS' REMUNERATION

The auditors' remuneration amounts to an auditor fee of £12,750 (2022 - £12,135).

12. STAFF COSTS

	2023 £	2022 £
Wages and salaries	**353,250**	328,438
Social security costs	**27,870**	32,106
Contribution to defined contribution pension schemes	**24,871**	28,173
Wages and salaries included within governance	**57,248**	53,556
	463,239	442,273

The average number of persons employed by the Company during the year was as follows:

	2023 No.	2022 No.
Employees	**15**	15

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Employees	**11.3**	10.6

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No.	2022 No.
In the band £80,001 - £90,000	**1**	1

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

	2023 No.	2022 *No.*
Regional Secretaries and Officers	**9**	11
Ram Sales Secretaries and Officers	**3**	3
Regional Event Managers	**4**	2
	16	16

12. STAFF COSTS (CONTINUED)

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. The following payments to these officers were made:

	2023	2022
	£	£
Regional Secretaries and Officers	**37,998**	30,399
Ram Sales Secretaries and Officers	**30,794**	27,700
Regional Event Managers	**29,500**	11,000

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 December 2023, expenses totaling £11,840 were reimbursed or paid directly to 7 Trustees (2022 - £8,437 to 9 Trustees).

14. INTANGIBLE ASSETS

	Computer software
	£
COST	
Additions	**13,707**
At 31 December 2023	**13,707**
AMORTISATION	
Charge for the year	**2,741**
At 31 December 2023	**2,741**
NET BOOK VALUE	
At 31 December 2023	**10,966**
At 31 December 2022	-

15. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION				
At 1 January 2023	**247,517**	**9,430**	**116,774**	**373,721**
Additions	**21,710**	**-**	**3,609**	**25,319**
At 31 December 2023	**269,227**	**9,430**	**120,383**	**399,040**
DEPRECIATION				
At 1 January 2023	**95,834**	**9,312**	**97,357**	**202,503**
Charge for the year	**3,627**	**30**	**5,813**	**9,470**
At 31 December 2023	**99,461**	**9,342**	**103,170**	**211,973**
NET BOOK VALUE				
At 31 December 2023	**169,766**	**88**	**17,213**	**187,067**
At 31 December 2022	151,683	118	19,417	171,218

16. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2023	**490,000**
Revaluation	**(35,000)**
At 31 December 2023	**455,000**

The fair value of the investment property brought forward had been arrived at on the basis of a valuation carried out on 1 September 2022 by Carver Knowles, a RICS registered firm, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties, and there was a £140k increase which was uplifted in the valuation in 2022. The Trustees believe this to still be a true and fair valuation, with the exception of one property which has been revalued due to an agreed sale.

17. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Total £
COST OR VALUATION			
At 1 January 2023	**699,798**	**253,019**	**952,817**
Additions	**100,000**	**60,000**	**160,000**
Disposals	**(51,000)**	**(10,000)**	**(61,000)**
Revaluations	**35,154**	**24,369**	**59,523**
AT 31 DECEMBER 2023	**783,952**	**327,388**	**1,111,340**
NET BOOK VALUE			
AT 31 DECEMBER 2023	**783,952**	**327,388**	**1,111,340**
AT 31 DECEMBER 2022	699,798	253,019	952,817

18. STOCKS

	2023 £	2022 £
Goods for resale	**2,924**	2,949

19. DEBTORS

	2023 £	2022 £
DUE WITHIN ONE YEAR		
Trade debtors	**64,020**	73,267
Other debtors	**4,135**	21,072
Prepayments and accrued income	**44,687**	15,985
	112,842	110,324

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	**27,967**	32,405
Other taxation and social security	**9,566**	21,032
Other creditors	**20,397**	27,270
Accruals and deferred income	**192,449**	242,060
	250,379	322,767

21. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Central Region	**14,533**	**-**	**(3,358)**	**(1,600)**	**-**	**9,575**
Cymru Region	**194,415**	**163,526**	**(93,045)**	**(1,600)**	**19,431**	**282,727**
Eastern Region	**29,816**	**11,220**	**(7,965)**	**(1,600)**	**-**	**31,471**
Marches Region	**12,800**	**579**	**(2,798)**	**2,400**	**-**	**12,981**
Northern Region	**47,325**	**152,356**	**(113,750)**	**(1,600)**	**-**	**84,331**
Northern Ireland Region	**38,417**	**37,554**	**(27,259)**	**4,400**	**-**	**53,112**
Scottish Region	**66,616**	**29,668**	**(38,650)**	**(1,600)**	**-**	**56,034**
South East Region	**7,030**	**8,075**	**(3,997)**	**3,400**	**-**	**14,508**
South West Region	**8,353**	**82,214**	**(63,480)**	**(1,600)**	**-**	**25,487**
South West Ram Sales	**71,205**	**5,812**	**(5,308)**	**(500)**	**4,686**	**75,895**
Wales & Border Ram Sales	**130,269**	**134,808**	**(134,338)**	**(500)**	**8,710**	**138,949**
	620,779	**625,812**	**(493,948)**	**(400)**	**32,827**	**785,070**
GENERAL FUNDS						
General Funds	**1,176,997**	**714,655**	**(762,533)**	**345**	**26,696**	**1,156,160**
Revaluation reserve	**140,000**	**-**	**-**	**-**	**(35,000)**	**105,000**
	1,316,997	**714,655**	**(762,533)**	**345**	**(8,304)**	**1,261,160**
TOTAL UNRESTRICTED FUNDS	**1,937,776**	**1,340,467**	**(1,256,481)**	**(55)**	**24,523**	**2,046,230**

21. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FUNDS						
British Heritage Sheep	**1,102**	**1,177**	**(427)**	**-**	**-**	**1,852**
Fabulous Fibre	**-**	**-**	**(453)**	**-**	**-**	**(453)**
Low Methane Sheep	**-**	**6,243**	**(6,457)**	**-**	**-**	**(214)**
RoSA	**-**	**-**	**(55)**	**55**	**-**	**-**
RDPE	**33,773**	**6,307**	**(11,260)**	**-**	**-**	**28,820**
Erasmus	**10,217**	**4,155**	**-**	**-**	**-**	**14,372**
Welsh Government Grant	**10,000**	**2,750**	**-**	**-**	**-**	**12,750**
	55,092	**20,632**	**(18,652)**	**55**	**-**	**57,127**
TOTAL OF FUNDS	**1,992,868**	**1,361,099**	**(1,275,133)**	**-**	**24,523**	**2,103,357**

21. STATEMENT OF FUNDS (CONTINUED)

British Heritage Sheep Project
This project was granted by "The Prince's Countryside Fund" and supports a feasibility study to address the key threats to our native sheep breeds, by helping develop a diversified sheepmeat market from the single "Standard Lamb", adding value for farmer-based outlets, and linking sheepmeat, landscape and culture.

Fabulous Fibre
NSA has joined with British Wool, the Centre for Excellence in Livestock (CIEL), Langrish Farmers and the Wool Testing Authority Europe (WTAE) for the Fabulous Fibre project. This is a twelve-month project, aiming to increase the value of wool through breeding and genetics. The goal is to conduct a feasibility study to evaluate the potential of reducing micron count of finer wool quality UK sheep breeds to increase productivity, sustainability and resilience for sheep farmers and the wool industry. Wool quality is measured by testing wool fibres to establish a micron value. Lower micron wool is softer to the touch in fabrics and more highly valued for making high-quality suits or layers worn next to skin. The lower the micron, the greater the value per kilogram. NSA is responsible for project managing this project, as well as sharing the knowledge gained.

Breed for CH4nge – Breeding Low Methane Sheep Project
NSA is working alongside industry partners to deliver a new project designed to breed low methane producing sheep, helping sheep farmers make a positive contribution to UK agriculture's journey towards net zero. The project is a 3 year project, running from July 2023, following a total award of £2.9m from Defra's farming Innovation Programme, which is being shared between the collaborative entities. The project is being led by sheep genetics company Innovis and will measure methane emissions from a total of 13,500 sheep in 45 flocks, to collect data and build tools to genetically reduce methane emissions and improve the efficiency of the national flock.

RoSA (Register of Sheep Advisers)
The aim of RoSA is to provide UK sheep farmers with a network of progressive advisers who can support them to develop sustainable farming systems which meet the highest standards of animal welfare and environmental protection. RoSA is seen as a voluntary way for the industry to demonstrate a high standard in the proficiency of all those providing advice to sheep farmers and to raise those standards in line with stakeholder expectations.

RoSA is being run in conjunction with BASIS. Both NSA and BASIS hold charitable status and are aligned in their objects in advancing education and standards in agricultural industries for the purposes of science and for public benefit. NSA is the industry leading expert within the sheep industry and BASIS is the foremost leading provider of training and professional development with proven capability to successfully administer continuing professional development (CPD) registers.

RDPE Countryside Productivity Scheme Project to Tackle Sheep Scab
In January 2021, funding was awarded by Defra through the European Agricultural Fund for Rural Development for a project designed to demonstrate the effectiveness of a community-led approach to improve the control of sheep scab. The project focuses on three hotspot areas in England, where scab is highly prevalent: The South West (coordinated by the National Sheep Association); The Midlands (coordinated by ADAS) and The North West (coordinated by the Cumbrian Farmers Network). Within each of the three hotspots, there are a number of 'clusters' of farms that either share common boundaries or use the same common grazing, with the aim within each cluster being to foster cooperation in the control of scab. Running over two years, the project offers a great opportunity for farmers to work together, with their local vets and the project coordinators, to stamp out this costly disease, which is of high welfare concern. A full complement of 300 participating farmers have signed up to a unique combination of on-farm advice, best practice training and free blood testing using the sheep scab ELISA test developed by Moredun and available through Biobest Laboratories Ltd. This includes the costs of visits by their local vet to allow two sets of blood samples for ELISA testing, plus a face-to-face advisory visit by the vet for each farm to discuss scab control and biosecurity.

21. STATEMENT OF FUNDS (CONTINUED)

E-Organic Erasmus Project
NSA is the sole UK partner in an EU-funded Turkish-led research project called E-Organic Erasmus, running from early 2021 to the end of 2022. The project will collate information about organic livestock production systems (including but not limited to sheep) from across Europe into a free-to-access online resource. It will also allow nominated individuals from the participating countries (Italy, Spain, Turkey and the UK) to visit each other on study trips.

Welsh Government grant
Cymru/Wales Region have been successful in securing a grant from the Wales Cultural Recovery Fund which was set up to help protect sustainable businesses and organisations and as many jobs in the culture sector as possible in order to ensure the sector survives the Covid-19 crisis and remains viable and sustainable in 2021 and beyond. The funding was intended to cover the loss of income from the cancelled Welsh Sheep Event.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Central Region	18,346	-	(2,413)	(1,400)	-	14,533
Cymru Region	224,411	6,062	(14,660)	(1,400)	(19,998)	194,415
Eastern Region	29,113	5,946	(3,843)	(1,400)	-	29,816
Marches Region	13,586	-	(2,386)	1,600	-	12,800
Northern Region	55,772	3,060	(10,107)	(1,400)	-	47,325
Northern Ireland Region	42,657	6,650	(15,490)	4,600	-	38,417
Scottish Region	6,982	182,278	(121,244)	(1,400)	-	66,616
South East Region	2,698	12,363	(6,631)	(1,400)	-	7,030
South West Region	16,322	1,600	(8,169)	(1,400)	-	8,353
South West Ram Sales	76,729	5,686	(3,820)	(500)	(6,890)	71,205
Wales & Border Ram Sales	155,973	126,204	(137,941)	-	(13,967)	130,269
	642,589	349,849	(326,704)	(4,100)	(40,855)	620,779
GENERAL FUNDS						
General Funds	1,120,790	931,269	(833,308)	14,104	(55,858)	1,176,997
Revaluation reserve	-	-	-	-	140,000	140,000
	1,120,790	931,269	(833,308)	14,104	84,142	1,316,997

21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR (CONTINUED)

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
TOTAL UNRESTRICTED FUNDS	1,763,379	1,281,118	(1,160,012)	10,004	43,287	1,937,776

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
RESTRICTED FUNDS						
British Heritage Sheep	1,102	-	-	-	-	1,102
iSage	-	10,327	-	(10,327)	-	-
RoSA	-	-	(323)	323	-	-
RDPE	-	66,375	(32,602)	-	-	33,773
Erasmus	20,086	130	(9,999)	-	-	10,217
Welsh Government Grant	10,000	-	-	-	-	10,000
	31,188	76,832	(42,924)	(10,004)	-	55,092
TOTAL OF FUNDS	1,794,567	1,357,950	(1,202,936)	-	43,287	1,992,868

22. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
Designated funds	**620,779**	**625,812**	**(493,948)**	**(400)**	**32,827**	**785,070**
General funds	**1,316,997**	**714,655**	**(762,533)**	**345**	**(8,304)**	**1,261,160**
Restricted funds	**55,092**	**20,632**	**(18,652)**	**55**	**-**	**57,127**
	1,992,868	**1,361,099**	**(1,275,133)**	**-**	**24,523**	**2,103,357**

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Designated funds	642,589	349,849	(326,704)	(4,100)	(40,855)	620,779
General funds	1,120,790	931,269	(833,308)	14,104	84,142	1,316,997
Restricted funds	31,188	76,832	(42,924)	(10,004)	-	55,092
	1,794,567	1,357,950	(1,202,936)	-	43,287	1,992,868

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	187,067	-	**187,067**
Intangible fixed assets	10,966	-	**10,966**
Fixed asset investments	1,111,340	-	**1,111,340**
Investment property	455,000	-	**455,000**
Current assets	512,306	77,057	**589,363**
Creditors due within one year	(230,449)	(19,930)	**(250,379)**
TOTAL	2,046,230	57,127	**2,103,357**

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	171,218	-	171,218
Fixed asset investments	952,817	-	952,817
Investment property	490,000	-	490,000
Current assets	624,235	77,365	701,600
Creditors due within one year	(300,494)	(22,273)	(322,767)
TOTAL	1,937,776	55,092	1,992,868

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	**145,489**	58,301
ADJUSTMENTS FOR:		
Depreciation charges	**9,470**	9,489
Amortisation charges	**2,741**	-
Depreciation on disposals	**-**	(892)
Dividends, interests and rents from investments	**(50,582)**	(45,305)
Decrease in stocks	**25**	99
Increase in debtors	**(2,518)**	(27,179)
Increase/(decrease) in creditors	**(72,388)**	9,730
Revaluation of fixed asset investments	**(59,523)**	76,354
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	**(27,286)**	80,597

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand	**473,597**	588,327
TOTAL CASH AND CASH EQUIVALENTS	**473,597**	588,327

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	**588,327**	**(114,730)**	**473,597**
	588,327	**(114,730)**	**473,597**

27. PENSION COMMITMENTS

The Charitable Company makes contributions, as part of an employee's contract of employment, which are payable to defined contribution schemes chosen by the employer. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £24,871 (2022: £28,173). Contributions totaling £36 (2022: £1,067) were receivable to the fund at the Balance Sheet date and are included in debtors.

28. OPERATING LEASE COMMITMENTS

At 31 December 2023 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	**2,878**	2,684
Later than 1 year and not later than 5 years	**2,152**	4,921
	5,030	7,605

29. RELATED PARTY TRANSACTIONS

During the year, £162 (2022: £1,696) was paid to companies with directors in common control. At the year end £NIL (2022: £NIL) was due to these companies.

During the year, £9,779 (2022: £23,821) was received from companies with directors in common control. At the year end £807 (2022: £NIL) was ,due from these companies.

During the year, salaries of £NIL (2022: £4,796) were paid to direct family members of trustees employed by the charity.

The above transactions represent payments made under normal market conditions for goods, services and related expenses.

30. POST BALANCE SHEET EVENTS

The Charity has agreed to sell a freehold property for £230,000, completion of the sale is expected later in July 2024. The property was included within fixed assets at a value of £230,000 at 31 December 2023.

NATIONAL SHEEP ASSOCIATION

England & Wales - Charity number 249255

Accounts

Registered number: 00037818
Charity numbers: 249255 and SC042853

NATIONAL SHEEP ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Bishop Fleming

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1 - 2
Trustees' report	3 - 12
Independent auditors' report on the financial statements	13 - 17
Statement of financial activities	18
Balance sheet	19 - 20
Statement of cash flows	21
Notes to the financial statements	22 - 43

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees	Mr A Alderson (appointed 6 May 2022) Mr P Delbridge Dr Y P Le Du Mr H Dunn Mr J Farmer Mr A Foulds Mr J Geldard (resigned 6 May 2022) Mr D Gregory Mr B Griffiths Ms K Hovers Miss C Hughes (appointed 6 May 2022) Ms A McFadzean (resigned 24 May 2023) Mr P Myles Ms P Nicol (appointed 3 May 2023) Mr D Phipps Mr C Sercombe Mr E Thomas (resigned 6 May 2022) Mr T Ward
Company registered number	00037818
Charity registered numbers	249255 and SC042853
Registered office	The Sheep Centre Malvern Worcestershire WR13 6PH
Honorary President	Lord Inglewood
Chief executive officer	Mr P Stocker
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Bankers	Lloyds Bank plc Malvern Worcestershire WR14 4QG

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Solicitors	Roythornes Enterprise Way Pinchbeck Spalding Lincolnshire PE11 3YR
Investment advisors	Rathbones George House 50 George Square Glasgow G2 1EH

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their Annual report together with the audited financial statements of the Company for the year 1 January 2022 to 31 December 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Summary of objectives and activities

The charitable object of NSA is 'to encourage and improve breeding, management and promotion of sheep as a species and as an activity in the UK 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 its objects, in that NSA takes a broad interpretation of 'promotion of the activity' to encompass the setting up of private and public dialogue with organisations and individuals whose vested interests might affect beneficially or adversely the sheep industry.

Broadly speaking, these organisations and individuals fall into two groups. The priorities for the first group (NSA members, other sheep farmers, ancillary service providers and agricultural organisations) are growing membership, promoting best practice, highlighting industry changes/trends and encouraging younger farmers. For the second group (policymakers, opinion influencers and the general public) it is increasing the appreciation of sheep farming, highlighting its contributions to economics, health, environment and society, particularly within the post-Brexit world. Working as a UK organisation but with distinct activities within the devolved nations and six English regions continued to be key during the year, given the variation within the sheep sector – both politically and practically – in different areas.

The highlight of 2022 was running NSA Sheep 2022 and NSA Scot Sheep 2022 after enforced covid absences. The events were a huge success, providing an invaluable service for members and the wider industry. They also boosted confidence within NSA to continue with a mix of sheep events (nationally and regionally), ram sales, smaller face-to-face events (farm walks, meetings etc) and online activities (webinars, email campaigns etc).

There were new external threats to the industry posed in 2022, not least the rise of input costs due to the Russian invasion of Ukraine, and pressure on the availability of sheep vaccines and antibiotics because of Brexit and ongoing covid-19 issues. None of these were welcome, but NSA responded well, ensuring members were aware of the situations and the implications for their flocks, but also highlighting alternative management approaches, and pushing to overcome shortages, particularly for vaccines.

b. Main objectives for the year

The main objectives for the year were all linked to delivery of the NSA vision for the UK sheep sector. That vision is: 'NSA believes in an optimum and resilient UK sheep population that is inherently healthy and able to cope with disease and parasite challenges. Diverse in its structure, contributing to feeding and providing fibre for an increasing global population, while adapting to the effects of and responding to the challenges of climate change and sustainable land management. We see our reputation being enhanced by working in harmony with areas of public interest – playing our part in mitigating global warming, improving our environment and ecology, enhancing landscapes, wise and responsible resource use, and protecting and creating culture and rural employment. Our vision is one of the people involved in keeping sheep being enthusiastic, knowledgeable and aspiring to best practice – and those not keeping sheep increasingly aware of the core aspects of sheep farming and appreciative of the contribution sheep make to society.'

Objectives and activities (CONTINUED)

- Maintain membership to increase engagement and assist with communicating messages.
- Promote the positive contribution of sheep farming and associated industries to the economy, health, environment and society, providing a considered view to policymakers, appropriate bodies and the public that incorporates scientific information where it is available, and the views of grassroots members.
- Disseminate information to sheep farmers to support them in maintaining and increasing their positive contribution to the economy, health, environment and society, raising awareness and giving practical guidance about breeding, nutrition and general management.
- Raise awareness and communicate on key industry topics – in order that policies are well-informed, practical and, when altered, reflect what the sheep sector already contributes – and in order that farmers can understand policies and have time to react to any change.
- Provide a programme of activity to encourage and support young people entering the industry or succeeding family members within the industry. This is delivered through the NSA Next Generation programme.
- Provide a network of events and activities to facilitate connections and knowledge exchange within the industry, and support members through additional activities and communication.

c. Main aims and significant activities for achieving objectives

Communication with the two groups of organisations/individuals outlined above is the main aim for NSA. Significant activities to communicate with the first group was very positively influenced in 2022 by the easing of covid restrictions for the UK sheep sector, as NSA is now confident in its mix of face-to-face and online activities. This has helped with membership recruitment to increase NSA's reach through sheep events and smaller on-farm events, written communications including the NSA Weekly Email Update, Sheep Farmer magazine and direct emails, and online webinars, website development and social media content. Significant activities to communicate with the second group is written consultation responses and verbal input to government select committees and other government-led meetings and forums, as well as press releases, public-facing information on the NSA website and public-facing social media posts. This was maintained and enhanced in 2022, with NSA invited to an increased range of government meetings and forums, a higher number of press releases issued, a website redesign delivered, and an increased social media reach.

d. Volunteers

The Trustees take this opportunity to thank all those who contributed in any way to NSA and the sheep industry in 2022. The enthusiasm and commitment of volunteers at NSA Sheep 2022 and NSA Scot Sheep 2022 further emphasised the importance of these events to the mix of activities organised by NSA. All of NSA's work, not just the sheep events, is only possible thanks to the many volunteers who work tirelessly on behalf of the organisation, sitting on various committees, giving up their time for ram sales and regional activities and generally supporting all that NSA does and stands for.

e. Main activities undertaken to further the Company's purposes for the public benefit

As outlined in the NSA vision for the sheep sector, sheep farming provides a plethora of public goods. In addition to clearly and consistently communicating this to policymakers, appropriate bodies and the general public, NSA ensures its sheep farming members have access to best practice information to maintain and increase their contribution to the economy, health, the environment and society. Key to this is an economic and regulatory landscape that allows sheep farmers to be profitable, so they can keep investing in their businesses with infrastructure, new technology and expertise.

Achievements and performance

a. Main achievements of the Company

Having outlined the main aims and the significant activities for achieving objectives, NSA reports a number of highlights for 2022.

- Attendance of NSA staff and/or officeholders regularly requested at high level government meetings, including delivery of new farming support schemes in England and development of future farming support schemes in the devolved nations.
- Applications opening for Defra Animal Health & Welfare Pathway with significant parts of the programme developed directly from NSA input and with a significant amount of sheep options in the small grants section.
- Sustained NSA participation in cross-industry groups including the Responsible Use of Medicines in Agriculture (RUMA) alliance, Sustainable Control of Parasites in Sheep (SCOPS) group, Sheep Antibiotics Group (SAG) and Ruminant Health and Welfare Group (RHWG), as well as other industry groups working in trade, supply chain and traceability.
- High level involvement in the Global Sheep Forum to promote international collaboration on positive environmental, welfare and nutritional credentials, and encourage young leaders within the sector. Online meetings were complemented by the NSA Chair attending a face-to-face meeting in Canada in November and a number of GSF members attending NSA Sheep 2022 in July.
- High profile messaging around sheep worrying by dogs, with NSA recognised for its position that worrying is an animal welfare issue that needs legislative change and increased use of new technology around DNA evidence.
- Continued delivery of the Register of Sheep Advisers (RoSA), with increased opportunities for registered advisers to attain CPD and plans to further develop the programme in 2023 and beyond.
- Successful delivery of the NSA-led element of the 'For Flock's Sake' RDPE-funded sheep scab project, plus industry-wide recognition that the consortium delivering the project has exceeded expectations and left a legacy. The final project report will be published in 2023.
- Successful participation in the Erasmus E-organic EU-funded project, including creation of an E-organic online learning resource and hosting of two UK study tours with participants from Spain, Italy and Turkey.
- Development of the NSA Breakfast Club webinar concept to attract industry leaders as speakers, including the Farming Minister, Shadow Farming Minister and Defra Future Farming and Countryside Programme Director. Industry-wide recognition and good attendance figures.
- Sustained momentum of NSA messaging around COP26 in Glasgow in 2021, with NSA invited to participate in the Countryside COP online event in 2022.
- High calibre of candidates for the NSA Next Generation Ambassador programme, attending four three-day personal and professional development sessions through the year. Delivery of the national final of the NSA Next Generation Shepherd competition, despite covid making regional qualifiers more difficult than usual. Ongoing support for young sheep farmers through other NSA Next Generation activities, such as work experience placements and the NSA Lambing List.
- NSA Sheep 2022 and NSA Scot Sheep 2022 back with a bang! Visitor numbers and engagement by commercial companies exceeded expectations at both events, facilitating a learning and networking opportunity for sheep farmers and creating a much-needed shop window for the industry, with policymakers, international visitors and school children attending as well.
- Delivery of a new NSA ram sale in NSA South East Region, increasing the offering to six ram sales in England and Wales for sheep farmers to trade in genetics and network at important industry events.
- Recovery from covid-19 with an increasing number of regional farm walks and face-to-face meetings, plus a new 'Field Day' concept piloted in NSA South East Region for farmers to spend the day on farm learning new ideas and exploring services provided by commercial companies.
- Delivery of an easier-to-navigate website with clear resources for sheep farmers (members and non-members) and the general public.

Achievements and performance (CONTINUED)

b. Key performance indicators

Work was initiated in 2021 to review the NSA Strategy, which resulted in an updated strategy and clearer KPIs being agreed for 2022 and beyond. These indicators of success are as follows.

- **External. Economics.** NSA considers the size of the national flock to be the most accurate indicator of the health and sustainability of the sector. The national flock is stable, despite reducing financial support from the government.
- **External. Health.** NSA consistently and accurately provided information and encouragement for sheep farmers to improve the health of the national flock in 2022. Specifically in England, NSA helped steer the content of the Defra Animal Health & Welfare Pathway and helped deliver the ground-breaking 'For Flock's Sake' sheep scab project. In the devolved nations, NSA participated in all initiatives relating to sheep health and welfare, playing a leading role in sheep scab and iceberg disease planning in Scotland. For members in all parts of the UK, NSA provided a number of very well attended online health-focussed webinars.
- **External. Environment.** In 2022, NSA continued to promote the environmental credentials of UK sheep farming, in response to inaccurate claims being made in the mainstream media. Progress has been made in acceptance by sheep farmers that they have a role to play in mitigating climate change, while producing food and contributing to biodiversity.
- **External. Society.** Ongoing issues with food supply chains and food inflation has increased public interest in UK food production, which has provided increased opportunities for NSA to promote the role of sheep farming as a whole.
- **Internal. Membership.** Recruitment of new members was impressive in 2022, thanks to successful merging of activity at face-to-face events and online campaigns. Overall there was a small fall in membership, due to members dying, retiring or leaving the industry. .
- **Internal. Association profile.** NSA was invited to more meetings, speaking engagements and events in 2022, highlighting its standing within the industry, which is the result of continued efforts in relationship building, policy, press and online work.
- **Internal. Finances.** Detailed updates elsewhere in this report.
- **Internal. Governance.** Officeholders continued to be engaged and effective in 2022, aided by the introduction of more formal Trustee/officeholder inductions. Work also started on an NSA Operations Manual, to bring all governance and associated papers into one place.
- **Internal. Staff.** Retention levels of employed staff and regional managers/organisers remains high. The appointment of an NSA Support & Activities Officer (detailed elsewhere in this report) will further improve connectivity between NSA Head Office and NSA regions going forward.

c. Review of activities

Structures are in place for regular reviews of activity, primarily through quarterly Board and other committee meetings, but also regular Senior Management Meetings and quarterly reporting structures. Regional managers and event/ram sale organisers also meet regularly.

Achievements and performance (CONTINUED)

d. Factors relevant to achieve objectives

In 2020 the covid-19 lockdowns resulted in NSA learning a lot about how to deliver its work online. In 2021 the easement of covid-19 restrictions allowed NSA to experiment with a mix of online and limited face-to-face activities. In 2022, NSA learnt there was still a huge desire for largescale sheep events mixed in with smaller face-to-face events and appropriate online activities. For example, committee meetings are still primarily online, reducing the time volunteers spend travelling, and saving costs. The NSA Breakfast Club and other webinars also remain popular, if the speakers and topic are good. The organisation is still learning, but the acceptance of online meetings and forums by the NSA network has fundamentally changed how NSA operates and will continue to do so. The external factors mentioned earlier in this report (the Russian invasion of Ukraine resulting in higher prices for fertiliser and other inputs, and Brexit and covid-19 causing issues with sheep vaccine and antibiotic availability) put significant pressure on the sheep sector and, therefore, were important for NSA to respond to. NSA continues to raise awareness of alternative sustainable farming practices, many of which will likely continue in some form beyond the relatively short-term disruption. Such practices include a growing recognition of soil health and nitrogen fixing clovers as an alternative to a vastly increased artificial nitrogen price, more attention to management solutions to post-natal lamb disease, and an enforced look at management to reduce the lack of vaccine availability. Of these NSA is pushing hard to overcome shortages in vaccine availability on the basis that disease immunity gained by vaccines results in reduced mortality and loss, and reduced reliance on antibiotics.

e. Fundraising activities and income generation

NSA continues to spread its risk by bringing in income from membership subscriptions, sponsorship, events, project funding and other sources, rather than relying solely on one source. All income streams and significant expenditure continue to be monitored regularly, but there are no significant changes to report in relation to 2022.

f. Investment policy and performance

The NSA Head Office investment with Rathbones is on a medium risk tolerance with the performance viewed in the medium/long term (three to five-year cycles). Rathbones has the discretion to manage the portfolio based on an investment policy agreed by Trustees, and it reports quarterly to the Board. Investments by NSA regions and ram sales are managed in a similar way. The Trustees now see quarterly net worth figures (with the stocks and shares included) and bank balance information broken down between Head Office (current account and deposit accounts) and the regions. This has led to important discussions around investments and resulted in positive action being taken, for example opening additional deposit accounts to reduce the risk of exceeding the £85k protection limit of the Financial Services Compensation Scheme. Overall, the performance of the investments in 2022 was subdued by world events, particularly the Russian invasion of Ukraine, but has recovered somewhat since the year end.

Financial review

a. Overview

The financial position of the NSA increased over the 2021 position, such that at year end the total reserves were £1,992,868 (2021 £1,794,567). The increase of £198,301 comprises a strong operating return from a full year of events of £155,014 (2021 £11,020 loss) alongside a periodic revaluation of our investment properties, offset by a reduction in the market value of the investment portfolio, such that overall funds have increased by 11%. This provides a secure basis for managing the varying cashflows that result from the two-year cycle of NSA events. NSA maintained a flexible balance between investments and working capital, as shown on page 19. NSA continues to have a number of strong income streams, all appropriate to its charitable objectives, rather than relying on a single source, as illustrated on page 18 and the supporting notes.

b. Going concern

NSA has neither the intention or the need to cease its work or significantly reduce the scale of its work. The long-term viability of NSA is something the NSA Trustees and staff regularly consider, with risks and potential risks to the association discussed on a regular basis and expenditure and income across the entire association closely monitored. NSA works hard to ensure membership subscriptions remain as stable as possible, even in the face of continued consolidation of sheep farming businesses within the UK. NSA also ensures it is not reliant on membership subscriptions alone, also drawing funds from sponsorship, advertising, business-to-business trade events, online events, externally funded projects and other income streams. Should income fall below our projections, the association has reserves which can be drawn on if required.

c. Reserves policy

The level of free reserves held by NSA at the year-end of 2022 amounted to £1,178,057 (2021 £1,120,790). These free reserves are held in Head Office and are sufficient to cover more than one month's operating costs including salaries. This is felt to be sufficient, as the major costs incurred here are covered by subscription income, which is relatively secure. The Trustees believe that, ideally, the reserves in the NSA Rams Sales should be equivalent to 12 months of expenditure and the reserves in the NSA Regions should be equivalent to 24 months of expenditure, as these are the periods between the major fundraising events where income is generated. While this has been achieved in most regions, they are mindful of problems in the industry over previous years and, therefore, the ideal level will not be attained quickly for all regions.

The Trustees feel the current level of reserves is appropriate for the current work of NSA, including Head Office work, regional activities and ram sales. The Trustees feel the most appropriate investment for the liquid assets of NSA is to use a deposit account to ensure accessibility. Significant progress has been made from the point where NSA historically operated with significant reserves, as membership subscription income is mainly received in the first part of the year and reserves were kept for easy access if needed in the later part of the year.

d. Investments policy

As stated in the previous section of this report, the NSA Head Office investment is with Rathbones on a medium risk tolerance with the performance viewed in the medium/long term. Rathbones has the discretion to manage the portfolio based on an investment policy agreed by Trustees, and (alongside the reserves policy) NSA is in the advanced stages of updating a written investment policy to sit alongside the reserves policy.

e. Principal risks and uncertainties

NSA has a risk register, which is reviewed by the Trustees on a six-monthly basis. The risk register is split into two parts – external risks such as risks within the sheep sector that may impact the financial ability of sheep farmers to pay a membership subscription – and internal risks such as loss of key staff members. There is nothing of concern to report in relation to 2022, although steps are being taken in 2023 to increase ownership of the risk register within the staff and simplify the document using a traffic light system.

f. Fundraising policy

NSA does not use professional fundraisers and does not fundraise through public appeals. It did not receive any complaints about fundraising activities in 2022. The association's principal funding is through membership subscriptions from people working in the sheep industry, and corporate sponsorship packages for commercial companies wanting to work with NSA. Apart from membership subscriptions, the major fundraising activities are the organisation of business-to-business NSA Sheep Events and the sale of advertising / sponsorship. NSA occasionally manages to access grant and statutory funding. In 2022 this included two EU-funded projects spanning 2021 and 2022. NSA is occasionally remembered in peoples' wills; in 2022 there was a legacy from an individual who was not a sheep farmer but expressed admiration for the work NSA did on the environment prior to his passing. NSA continued to make an annual Gift Aid claim from HMRC. All events and activities have budgets prepared in advance having regard to risks. The content and sponsors of events are chosen by committees to be appropriate to the aims of the association. There are financial controls in place to reduce the risk of fraud and financial loss. There is regular liaison and reporting between regions, ram sales and head office to monitor fundraising activities.

g. Principal funding

This continues to be membership subscriptions, with other income streams listed above contributing to an important extent.

Structure, governance and management

a. Constitution

During 2022 NSA was a Company Limited by Guarantee governed by its Memorandum and Articles of Association dated 21st December 1892 and most recently amended at the 2015 AGM 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 £1.

b. Methods of appointment or election of Trustees

There were 16 Trustees, who are also directors for the purpose of company law, who served during 2022. Two Trustees reached the end of their terms in 2022 and two new Trustees were elected.

- Mr John Geldard appointed 5 May 2016 and resigned 6 May 2022
- Mr Llew Thomas appointed 5 May 2016 and resigned 6 May 2022
- Mr Alan Alderson appointed 6 May 2022
- Miss Caryl Hughes appointed 6 May 2022

Mrs A McFadzean reached the end of her term as Trustee between the end of the financial year and the production of this report. She attended her final Board meeting in January 2023 and Companies House / the Charity Commission was notified after the May 2023 meeting. At the May 2023 meeting Ms P Nicol was appointed to the Board and the process was initiated to update Companies House / the Charity Commission.

Trustee nominations and appointments are as per the Articles of Association. When a Trustee is appointed by the Board the incoming individual is informed of their responsibilities and duties as a Trustee Director and given copies of Charity Commission guidance and NSA printed information. An induction session is also provided, to give the Trustee an in-depth understanding of the NSA structure and operations from the outset.

Structure, governance and management (CONTINUED)

c. Organisational structure and decision-making policies

The Trustee Directors administer the Charity and Company. There are four Board meetings each year, plus interim meetings where appropriate. The Trustees delegate responsibility to the NSA Finance Scrutiny Committee, to look at quarterly budgetary information and explore specific financial topics in detail. This sub-committee meets a minimum of three times per year. The Trustees also delegate responsibility to the NSA UK Policy & Technical Committee to discuss NSA positions and activity on regulation, policy, research and development work affecting the sheep sector. This sub-committee meets a minimum of four times a year. Each of the devolved nations has its own committee, as well as six regional committees in England feeding into the NSA English Committee. The Chief Executive manages the day-to-day operations, having regard to the decisions of the Board.

d. Management and staff in 2022

Phil Stocker continued as NSA Chief Executive in 2022 and, for the majority of the year, led a team of 13 employed staff including himself – five full-time, seven part-time and two on zero hours contracts that vary depending on volumes of work. As a result of the NSA Strategy Review initiated in 2020, which identified a relatively flat staffing structure, the Senior Management Team (the salaried Chief Executive and Operations Director plus the Trustees serving as Chairman and Honorary Treasurer) continued to meet fortnightly and increase delegation to the Management Team (Communication Manager, Project Manager and Policy Manager). This level of seniority beneath the Senior Management Team has worked well, spreading responsibility and decision-making within the staff structure and safeguarding NSA in the result of a senior staff member leaving. In the first quarter of 2022, the Digital Communications Officer left to pursue a different career and a replacement was successfully employed. In October 2022, a Support & Activities Officer was appointed, a new position identified as part of the Strategy Review to further develop NSA Next Generation activity and support NSA regions where they need. In anticipation of the Membership Secretary retiring and the Association Secretary semi-retiring in January 2023, two additional staff members were also employed in October 2022 and trained in their relevant roles. This saw the staff level increase to 15 employed staff from 1 January 2023 – five full-time, seven part-time and three on zero hours contracts.

e. Pay policy for key management personnel

The Trustees discuss and approve the annual budget, which includes a total salary figure for all staff. All staff receive an annual appraisal, which helps inform the Senior Management Team's proposal for individual salaries within that total figure. The Chairman and Honorary Treasurer provide an annual appraisal for the Chief Executive and decide the salary for this role. In addition to salaries, all staff can claim expenses in line with the set expenses policy. An inflationary pay rise was given to staff members in early 2022. At the end of 2022, with inflation tracking much higher than previous years, the Trustees discussed an across-the-board pay rise for early 2023 plus a one-off cost of living payment for all staff. This was implemented in early 2023.

f. Related party relationships

During 2022 sponsorship/advertising income was received from four companies with a link to an NSA Trustee or key officeholder. The combined income for these was £9,550 (£3,690 for 2021). Also during the year, payments were made to one company owned/part-owned by an NSA Trustee (for consultancy services separate to the Trustee's role on the NSA Board), to one company owned/part-owned by an NSA employee (for freelance photography services separate to the employee's NSA role, and to two companies owned/part-owned by an NSA regional manager (as these regional managers provide their services via these two companies). The combined expenditure across four companies was £15,966 (£16,721 for 2021). Income received from and expenditure with related parties was in pursuit of NSA's charitable objectives. An additional note for 2022 is that NSA employed a direct family member of a key officeholder (until the end of February 2022) and paid an honorarium to an NSA regional manager who was a direct family member of a regional officeholder (until the end of August 2022). There are no related parties that either control or significantly influence the decisions and operations of NSA.

Structure, governance and management (CONTINUED)

g. Financial risk management

As stated in the previous section of this report, NSA has a risk register that is reviewed by the Trustees on a six-monthly basis. Financial risks are a specific part of the risk register, including loss of subscription income and loss of sponsorship income. These are key priorities for relevant staff members, with regular internal meetings and workstreams dedicated to membership recruitment and retention, financial tasks (e.g. debt chasing), project management and commercial opportunities. Head Office staff and regional officeholders regularly communicate about sponsorship opportunities and the range of commercial companies we maintain healthy working relationships with. While the loss of income from the cancellation of sheep events in 2020 and 2021 continued to be felt by some regions in 2022, confidence within the organisation was generally boosted by the success of NSA Sheep 2022 and NSA Scot Sheep 2022 and the ongoing success of NSA running a mix of face-to-face and online activities that was inconceivable before covid forced some quick learning about virtual events

h. Trustees' indemnities

Each member of NSA, including the Trustees, undertakes to contribute to the assets of the company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1 for the debts and liability contracted before they cease to be a member.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mr D Gregory
Treasurer
Date: 11th August 2023

Mr D Phipps
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL SHEEP ASSOCIATION

OPINION

We have audited the financial statements of National Sheep Association (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities;

The procedures undertaken in order to identify and assess risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, are as follows:

- We have considered the nature of the industry and sector, control environment and business performance;
- We have considered the results of our enquiries of management and the Chair of the Board about their own identification and assessment of the risk of irregularities
- For any matters identified we have obtained and reviewed the Charitiy's documentation of their policies and procedures relating to;
    - Identifying, evaluating and complying with laws and regulations whether they were aware of any instances of non-compliance;
    - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
    - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team, including internal tax specialists regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Revenue recognition; and
- Accounting estimates.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities SORP (FRS 102) - Accounting and Reporting by Charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations and employment legislation.

Audit response to risks identified:

As a result of performing the above procedures, we have identified revenue recognition and accounting estimates as key audit matters related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- Documenting and validating the control environment for income and debtors and carrying out walkthrough testing;
- Undertaking substantive sample-based testing or proof in total calculations on all material revenue streams to ensure revenue has been recognised appropriately and accurately;
- Considering manual income journals as part of our work on fraud risks documented above;
- Reviewing the financial statement disclosures and testing to supporting documentation;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

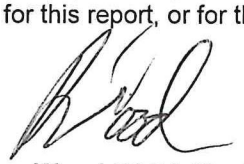
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Wood FCCA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 5th September 2023

Bishop Fleming LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	**80,340**	**-**	**80,340**	53,628
Charitable activities	5	**637,091**	**76,832**	**713,923**	677,162
Other trading activities	6	**501,131**	**-**	**501,131**	38,597
Investments	7	**45,305**	**-**	**45,305**	48,210
Other income	8	**17,251**	**-**	**17,251**	10,533
Total income		**1,281,118**	**76,832**	**1,357,950**	828,130
Expenditure on:					
Charitable activities	9	**1,160,012**	**42,924**	**1,202,936**	839,150
Total expenditure		**1,160,012**	**42,924**	**1,202,936**	839,150
Net income/(expenditure) before net (losses)/gains on investments		**121,106**	**33,908**	**155,014**	(11,020)
Net (losses)/gains on investments		**(96,713)**	**-**	**(96,713)**	90,152
Net income		**24,393**	**33,908**	**58,301**	79,132
Transfers between funds	20	**10,004**	**(10,004)**	**-**	-
Net movement in funds before other recognised gains		**34,397**	**23,904**	**58,301**	79,132
Other recognised gains:					
Gains on revaluation of fixed assets		**140,000**	**-**	**140,000**	-
Net movement in funds		**174,397**	**23,904**	**198,301**	79,132
Reconciliation of funds:					
Total funds brought forward		**1,763,379**	**31,188**	**1,794,567**	1,715,435
Net movement in funds		**174,397**	**23,904**	**198,301**	79,132
Total funds carried forward		**1,937,776**	**55,092**	**1,992,868**	1,794,567

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 43 form part of these financial statements.

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00037818

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	**171,218**	177,099
Investments	16	**952,817**	959,527
Investment property	15	**490,000**	350,000
		1,614,035	1,486,626
Current assets			
Stocks	17	**2,949**	3,048
Debtors	18	**110,324**	83,145
Cash at bank and in hand		**588,327**	534,785
		701,600	620,978
Creditors: amounts falling due within one year	19	**(322,767)**	(313,037)
Net current assets		**378,833**	307,941
Total assets less current liabilities		**1,992,868**	1,794,567
Total net assets		**1,992,868**	1,794,567
Charity funds			
Restricted funds	20	**55,092**	31,188
Unrestricted funds	20	**1,937,776**	1,763,379
Total funds		**1,992,868**	1,794,567

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mr D Gregory
Treasurer
Date: 11th August 2023

Mr D Phipps
Chair

The notes on pages 22 to 43 form part of these financial statements.

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	**94,853**	115,854
Cash flows from investing activities		
Dividends, interests and rents from investments	**(45,305)**	(48,210)
Proceeds from the sale of tangible fixed assets	**892**	760
Purchase of tangible fixed assets	**(3,608)**	(6,149)
Proceeds from sale of investments	**39,113**	193,444
Purchase of investments	**(108,757)**	(183,441)
Revaluation of investments	**76,354**	(90,152)
Net cash used in investing activities	**(41,311)**	**(133,748)**
Cash flows from financing activities		
Repayments of borrowing	**-**	(50,000)
Net cash provided by/(used in) financing activities	**-**	**(50,000)**
Change in cash and cash equivalents in the year	**53,542**	**(67,894)**
Cash and cash equivalents at the beginning of the year	**534,785**	602,679
Cash and cash equivalents at the end of the year	**588,327**	534,785

The notes on pages 22 to 43 form part of these financial statements

1. GENERAL INFORMATION

National Sheep Association is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is The Sheep Centre, Blackmore Park Road, Malvern, Worcetershire, WR13 6PH.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

National Sheep Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetrary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investments properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

2.2 GOING CONCERN

NSA has neither the intention or the need to cease its work or significantly reduce the scale of its work. The long-term viability of NSA is something the NSA Trustees and staff regularly consider, with risks and potential risks to the association discussed on a regular basis and expenditure and income across the entire association closely monitored. NSA works hard to ensure membership subscriptions remain as stable as possible, even in the face of continued consolidation of sheep farming businesses within the UK. NSA also ensures it is not reliant on membership subscriptions alone, also drawing funds from sponsorship, advertising, business-to-business trade events, online events, externally funded projects and other income streams. Should income fall below our projections, the association has reserves which can be drawn on if required.

2.3 INCOME

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £200 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a reducing balance basis and on a straight line basis.

Depreciation is provided on the following bases:

Land and Building	- 2% - 5% Reducing balance
Motor vehicles	- 25% Reducing balance
Fixtures and fittings	- 10-25% on Cost / 20-25% Reducing balance

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

2. ACCOUNTING POLICIES (continued)

2.6 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investment property, which is property held to earn rentals and/or capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditue) for the year. No depreciation is charged on investment property.

Although this accounting policy is in accordance with FRS102 section 16, the lack of depreciation is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the trustees, compliance with the standard is necessary for the financial statements to give a true and fair view and in all other respects the Charity has complied with the Act. As a result, the value of investment property in the balance sheet is higher, and the depreciation charge in the statement of financial activities lower than they would be under the requirements of the Act.

2.7 STOCKS

Stocks are stated at the lower cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

2.8 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2. ACCOUNTING POLICIES (continued)

2.11 FINANCIAL INSTRUMENTS

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.13 PENSIONS

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2.14 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Estimated useful lives of tangible fixed assets
In determining the estimated useful life the Charity considers the expected physical wear and tear of the asset that could lead to obsolecence of the asset. Each year the Charity reviews the above to establish if there is any change in the expected useful life of tangible assets.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Investment property valuation
The investment property is held at fair value and the original valuation was carried out on 25 June 2015 by Charles Knowles, a RICS registered firm. It was arrived at by reviewing the market for transaction prices for similar properties. Each year the Charity reviews this valuation, to determine whether they still considered this to be accurate at the year end.

Deferred subscription income
Annual membership renewals occur throughout the year, so when the charity receives member's subscription income in the current year, some of this may relate to the following year. This part is treated as deferred income in the current accounting period and will be recognised in the statement of Financial Activities in the following accouting period.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	79,470	-	**79,470**	36,369
Grants	870	-	**870**	10,000
Government grants	-	-	**-**	7,259
	80,340	-	**80,340**	53,628
TOTAL 2021	36,369	17,259	53,628	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Ram Sales	115,696	-	**115,696**	111,126
Sheep Farmer Advertising	121,175	-	**121,175**	123,352
Other Charitable Income	37,255	10,327	**47,582**	37,894
Sustainable Control of Parasites in Sheep	5,325	-	**5,325**	14,394
Membership Services	357,640	-	**357,640**	347,035
RoSA project	-	-	**-**	1,354
RDPE Moredun project	-	66,375	**66,375**	20,400
Erasmus project	-	130	**130**	21,607
	637,091	76,832	**713,923**	677,162
TOTAL 2021	632,801	44,361	677,162	

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Fundraising events	501,131	**501,131**	38,597
TOTAL 2021	38,597	38,597	

7. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental income	20,339	**20,339**	20,531
Investment income	23,595	**23,595**	27,593
Interest receivable	1,371	**1,371**	86
	45,305	**45,305**	48,210
TOTAL 2021	48,210	48,210	

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other income	13,398	**13,398**	9,424
Promotional items	2,177	**2,177**	98
P & O Booking Service	1,676	**1,676**	1,011
	17,251	**17,251**	10,533
TOTAL 2021	10,533	10,533	

9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Breeding Improvement Other Costs	98,605	-	**98,605**	61,923
Membership Services and Enquiries	124,677	-	**124,677**	90,368
Education and Promotion Other Costs	574,283	42,924	**617,207**	527,233
Fundraising Costs	362,447	-	**362,447**	159,626
	1,160,012	42,924	**1,202,936**	839,150
TOTAL 2021	785,682	53,468	839,150	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Breeding Improvement Other Costs	98,605	-	**98,605**	61,923
Membership Services and Enquiries	14,965	109,712	**124,677**	90,368
Education and Promotion Other Costs	211,715	405,492	**617,207**	527,233
Fundraising Costs	239,831	122,616	**362,447**	159,626
	565,116	637,820	**1,202,936**	839,150
TOTAL 2021	335,599	503,551	839,150	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Breeding Improvement Other Costs 2022 £	Membership Services and Enquiries 2022 £	Education and Promotion Other Costs 2022 £	Fundraising Costs 2022 £	Total funds 2022 £	Total funds 2021 £
SCOPS	-	-	2,352	-	**2,352**	2,283
Sheep Farmer costs	-	-	57,777	-	**57,777**	67,171
Design and Printing	-	-	28,374	-	**28,374**	13,933
Next Generation Ambassadors	-	-	9,615	-	**9,615**	4,471
Branding and Merchandise	-	-	1,302	-	**1,302**	1,090
Moredun Initiative	-	-	7,500	-	**7,500**	7,501
Regional Secretaries & Officers fees	-	-	58,099	-	**58,099**	57,308
Membership Promotion	-	14,965	-	-	**14,965**	5,574
Ram sale expenses	86,192	-	-	-	**86,192**	52,928
Storage of Semen	10,945	-	-	-	**10,945**	8,481
P & O Expenditure	1,468	-	-	-	**1,468**	514
Subscriptions for other bodies	-	-	3,492	-	**3,492**	2,631
Awards and Donations	-	-	280	-	**280**	1,050
Costs of generating funds	-	-	-	239,831	**239,831**	64,855
RoSA project	-	-	323	-	**323**	3,818
RDPE Moredun project	-	-	32,602	-	**32,602**	40,470
Erasmus project	-	-	9,999	-	**9,999**	1,521
	98,605	14,965	211,715	239,831	**565,116**	335,599
TOTAL 2021	61,923	5,574	203,247	64,855	335,599	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Membership Services and Enquiries 2022 £	Education and Promotion Other Costs 2022 £	Fundraising Costs 2022 £	**Total funds 2022 £**	Total funds 2021 £
Staff costs	75,871	228,050	84,796	**388,717**	329,129
Governance - Staff costs	-	53,556	-	**53,556**	44,881
Depreciation	1,638	6,164	1,830	**9,632**	9,751
Printng, Photocopying, Postage & Stationery	13,219	26,937	14,774	**54,930**	22,740
General office expenses	555	2,092	621	**3,268**	272
Telephone, Computer & Website	3,994	15,035	4,463	**23,492**	28,148
Travelling expenses & Subsistences	6,773	25,501	7,571	**39,845**	20,408
Rates, Utilities & Insurance	3,502	13,181	3,913	**20,596**	19,939
Property Repairs	1,737	6,536	1,940	**10,213**	2,723
Legal & Professional	530	1,994	592	**3,116**	1,682
Accountancy	108	1,466	121	**1,695**	3,994
Bank Charges	1,434	5,396	1,602	**8,432**	3,294
Bad Debts	351	1,322	393	**2,066**	3,061
Governance - Audit Fees	-	12,135	-	**12,135**	10,575
Board and AGM Meeting Costs	-	6,127	-	**6,127**	2,954
	109,712	405,492	122,616	**637,820**	503,551
TOTAL 2021	84,794	323,986	94,771	503,551	

11. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**12,135**	10,575

12. STAFF COSTS

	2022 £	2021 £
Wages and salaries	**328,438**	277,500
Social security costs	**32,106**	26,677
Contribution to defined contribution pension schemes	**28,173**	24,952
Wages and salaries included within governance	**53,556**	44,881
	442,273	374,010

The average number of persons employed by the Company during the year was as follows:

	2022 No.	2021 No.
Employees	**15**	13

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

	2022 No.	2021 No.
Regional Secretaries and Officers	**11**	11
Ram Sales Secretaries and Officers	**3**	5
Regional Event Managers	**2**	2
	16	18

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. The following payments to these officers were made:

	2022 £	2021 £
Regional Secretaries and Officers	30,399	28,858
Ram Sales Secretaries and Officers	27,700	28,450
Regional Events Managers	11,000	16,000

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	2021 No.
In the band £80,001 - £90,000	**1**	1

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2021 - £10,200).

During the year ended 31 December 2022, expenses totalling £8437 were reimbursed or paid directly to 9 Trustees (2021 - £2,551 to 7 Trustees).

14. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION				
At 1 January 2022	**247,517**	**9,430**	**114,058**	**371,005**
Additions	**-**	**-**	**3,608**	**3,608**
Disposals	**-**	**-**	**(892)**	**(892)**
At 31 December 2022	**247,517**	**9,430**	**116,774**	**373,721**
DEPRECIATION				
At 1 January 2022	**92,567**	**9,273**	**92,066**	**193,906**
Charge for the year	**3,267**	**39**	**6,183**	**9,489**
On disposals	**-**	**-**	**(892)**	**(892)**
At 31 December 2022	**95,834**	**9,312**	**97,357**	**202,503**
NET BOOK VALUE				
At 31 December 2022	**151,683**	**118**	**19,417**	**171,218**
At 31 December 2021	154,950	157	21,992	177,099

15. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2022	**350,000**
Surplus on revaluation	**140,000**
At 31 December 2022	**490,000**

The fair value of the investment property brought forward had been arrived at on the basis of a valuation carried out on 1 September 2022 by Carver Knowles, a RICS registered firm, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties, and there was a £140k increase which was uplifted in the valuation.

16. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Total £
COST OR VALUATION			
At 1 January 2022	**666,315**	**293,212**	**959,527**
Additions	**109,823**	**-**	**109,823**
Disposals	**(28,079)**	**(6,228)**	**(34,307)**
Revaluations	**(48,261)**	**(33,965)**	**(82,226)**
AT 31 DECEMBER 2022	**699,798**	**253,019**	**952,817**
NET BOOK VALUE			
AT 31 DECEMBER 2022	**699,798**	**253,019**	**952,817**
AT 31 DECEMBER 2021	666,315	293,212	959,527

17. STOCKS

	2022 £	2021 £
Goods for resale	**2,949**	3,048

18. DEBTORS

	2022 £	2021 £
DUE WITHIN ONE YEAR		
Trade debtors	**73,267**	44,837
Other debtors	**21,072**	20,700
Prepayments and accrued income	**15,985**	17,608
	110,324	83,145

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	**32,405**	36,526
Other taxation and social security	**21,032**	8,910
Other creditors	**27,270**	17,577
Accruals and deferred income	**242,060**	250,024
	322,767	313,037

20. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Central Region	18,346	-	(2,413)	(1,400)	-	14,533
Cymru Region	224,411	6,062	(14,660)	(1,400)	(19,998)	194,415
Eastern Region	29,113	5,946	(3,843)	(1,400)	-	29,816
Marches Region	13,586	-	(2,386)	1,600	-	12,800
Northern Region	55,772	3,060	(10,107)	(1,400)	-	47,325
Northern Ireland Region	42,657	6,650	(15,490)	4,600	-	38,417
Scottish Region	6,982	182,278	(121,244)	(1,400)	-	66,616
South East Region	2,698	12,363	(6,631)	(1,400)	-	7,030
South West Region	16,322	1,600	(8,169)	(1,400)	-	8,353
South West Ram Sales	76,729	5,686	(3,820)	(500)	(6,890)	71,205
Wales & Border Ram Sales	155,973	126,204	(137,941)	-	(13,967)	130,269
	642,589	349,849	(326,704)	(4,100)	(40,855)	620,779
GENERAL FUNDS						
General Funds	1,120,790	931,269	(833,308)	14,104	(55,858)	1,176,997
Revaluation reserve	-	-	-	-	140,000	140,000
	1,120,790	931,269	(833,308)	14,104	84,142	1,316,997
TOTAL UNRESTRICTED FUNDS	1,763,379	1,281,118	(1,160,012)	10,004	43,287	1,937,776

20. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FUNDS						
British Heritage Sheep	1,102	-	-	-	-	1,102
Echinococcus Parasite in Farm Dogs	-	-	-	-	-	-
Lameness Study	-	-	-	-	-	-
DBEIS	-	-	-	-	-	-
iSage	-	10,327	-	(10,327)	-	-
RoSA	-	-	(323)	323	-	-
RDPE	-	66,375	(32,602)	-	-	33,773
Erasmus	20,086	130	(9,999)	-	-	10,217
Welsh Government Grant	10,000	-	-	-	-	10,000
Job Retention Scheme	-	-	-	-	-	-
	31,188	76,832	(42,924)	(10,004)	-	55,092
TOTAL OF FUNDS	1,794,567	1,357,950	(1,202,936)	-	43,287	1,992,868

British Heritage Sheep Project
This project was grant funded by "The Prince's Countryside Fund" and supports a feasibility study to address the key threats to our native sheep breeds, by helping develop a diversified sheepmeat market from the single "Standard Lamb", adding value for farmer-based outlets, and linking sheepmeat, landscape and culture.

iSAGE
The project began in March 2016 and ran for 4 years. The project aimed to "improve the overall sustainability and innovative capicity of the sheep and goat sector in Europe by:

-Enhancing the efficiency and profitability of the sector
-Meeting the needs of consumers
-Increasing the social acceptance and improving the deivery of ecosystem services"

The idea is to involve as many stakeholders in the supply chain as possible, from the farmers to the processors, retailers and consumers.

One of the intended outcomes of the project is is the public goods (PG) tool for assesing sustainability on farms. Using existing information covering environmental, economic and social factors, the results should should give immediate feedback to the farmer on areas where performance is currently good and areas where further development is needed.

This project has now come to an end, and confirmation was recevied from the funding provider that the could release any unspent funds for general use.

20. STATEMENT OF FUNDS (CONTINUED)

RoSA (Register of Sheep Advisers)
The aim of RoSA is to provide UK sheep farmers with a network of progressive advisers who can support them to develop sustainable farming systems which meet the highest standards of animal welfare and environmental protection. RoSA is seen as a voluntary way for the industry to demonstrate a high standard in the proficiency of all those providing advice to sheep farmers and to raise those standards in line with stakeholder expectations.
RoSA is being run in conjunction with BASIS. Both NSA and BASIS hold charitable status and are aligned in their objects in advancing education and standards in agricultural industries for the purposes of science and for public benefit. NSA is the industry leading expert within the sheep industry and BASIS is the foremost leading provider of training and professional development with proven capability to successfully administer continuing professional development (CPD) registers.

E-Organic Erasmus Project
NSA is the sole UK partner in an EU-funded Turkish-led research project called E-Organic Erasmus, running from early 2021 to the end of 2022. The project will collate information about organic livestock production systems (including but not limited to sheep) from across Europe into a free-to-access online resource. It will also allow nominated individuals from the participating countries (Italy, Spain, Turkey and the UK) to visit each other on study trips.

RDPE Countryside Productivity Scheme Project to Tackle Sheep Scab
In January 2021, funding was awarded by Defra through the European Agricultural Fund for Rural Development for a project designed to demonstrate the effectiveness of a community-led approach to improve the control of sheep scab. The project focuses on three hotspot areas in England, where scab is highly prevalent: The South West (coordinated by the National Sheep Association); The Midlands (coordinated by ADAS) and The North West (coordinated by the Cumbrian Farmers Network). Within each of the three hotspots, there are a number of 'clusters' of farms that either share common boundaries or use the same common grazing, with the aim within each cluster being to foster cooperation in the control of scab. Running over two years, the project offers a great opportunity for farmers to work together, with their local vets and the project coordinators, to stamp out this costly disease, which is of high welfare concern. A full complement of 300 participating farmers have signed up to a unique combination of on-farm advice, best practice training and free blood testing using the sheep scab ELISA test developed by Moredun and available through Biobest Laboratories Ltd. This includes the costs of visits by their local vet to allow two sets of blood samples for ELISA testing, plus a face-to-face advisory visit by the vet for each farm to discuss scab control and biosecurity.

Welsh Government grant
Cymru/Wales Region have been successful in securing a grant from the Wales Cultural Recovery Fund which was set up to help protect sustainable businesses and organisations and as many jobs in the culture sector as possible in order to ensure the sector survives the Covid-19 crisis and remains viable and sustainable in 2021 and beyond. The funding was intended to cover the loss of income from the cancelled Welsh Sheep Event.

20. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Central Region	19,523	2,359	(4,066)	530	-	18,346
Cymru Region	239,478	5,611	(12,003)	(30,110)	21,435	224,411
Eastern Region	35,050	-	(5,937)	-	-	29,113
Marches Region	10,425	1,539	(3,628)	5,250	-	13,586
Northern Region	74,095	1,575	(18,268)	(1,630)	-	55,772
Northern Ireland Region	41,369	-	(9,447)	10,735	-	42,657
Scottish Region	483	-	(18,131)	24,630	-	6,982
South East Region	-	5,000	(2,597)	295	-	2,698
South West Region	16,222	30	(1,830)	1,900	-	16,322
South West Ram Sales	74,347	5,343	(3,736)	(5,115)	5,890	76,729
Wales & Border Ram Sales	170,895	117,064	(129,323)	(18,230)	15,567	155,973
	681,887	138,521	(208,966)	(11,745)	42,892	642,589
GENERAL FUNDS						
General Funds	1,014,903	627,989	(576,716)	7,354	47,260	1,120,790
Revaluation reserve	-	-	-	-	-	-
	1,014,903	627,989	(576,716)	7,354	47,260	1,120,790
TOTAL UNRESTRICTED FUNDS	1,696,790	766,510	(785,682)	(4,391)	90,152	1,763,379

20. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FUNDS						
British Heritage Sheep	7,876	1,000	(400)	(7,374)	-	1,102
Echinococcus Parasite in Farm Dogs	899	-	-	(899)	-	-
Lameness Study	1,219	-	-	(1,219)	-	-
DBEIS	7,663	-	-	(7,663)	-	-
iSage	988	-	-	(988)	-	-
RoSA	-	1,354	(3,818)	2,464	-	-
RDPE	-	20,400	(40,470)	20,070	-	-
Erasmus	-	21,607	(1,521)	-	-	20,086
Welsh Government Grant	-	10,000	-	-	-	10,000
Job Retention Scheme	-	7,259	(7,259)	-	-	-
	18,645	61,620	(53,468)	4,391	-	31,188
TOTAL OF FUNDS	1,715,435	828,130	(839,150)	-	90,152	1,794,567

21. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Designated funds	**642,589**	**349,849**	**(326,704)**	**(4,100)**	**(40,855)**	**620,779**
General funds	**1,120,790**	**931,269**	**(833,308)**	**14,104**	**84,142**	**1,316,997**
Restricted funds	**31,188**	**76,832**	**(42,924)**	**(10,004)**	**-**	**55,092**
	1,794,567	**1,357,950**	**(1,202,936)**	**-**	**43,287**	**1,992,868**

21. SUMMARY OF FUNDS (CONTINUED)

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Designated funds	681,887	138,521	(208,966)	(11,745)	42,892	642,589
General funds	1,014,903	627,989	(576,716)	7,354	47,260	1,120,790
Restricted funds	18,645	61,620	(53,468)	4,391	-	31,188
	1,715,435	828,130	(839,150)	-	90,152	1,794,567

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	**Restricted funds 2022 £**	**Total funds 2022 £**
Tangible fixed assets	171,218	-	**171,218**
Fixed asset investments	952,817	-	**952,817**
Investment property	490,000	-	**490,000**
Current assets	624,235	77,365	**701,600**
Creditors due within one year	(300,494)	(22,273)	**(322,767)**
TOTAL	1,937,776	55,092	**1,992,868**

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	177,099	-	177,099
Fixed asset investments	959,527	-	959,527
Investment property	350,000	-	350,000
Current assets	575,678	45,300	620,978
Creditors due within one year	(298,925)	(14,112)	(313,037)
TOTAL	1,763,379	31,188	1,794,567

23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	**58,301**	79,132
ADJUSTMENTS FOR:		
Depreciation charges	**9,489**	9,751
Depreciation on disposals	**(892)**	(608)
Dividends, interests and rents from investments	**45,305**	48,210
Decrease in stocks	**99**	99
Decrease/(increase) in debtors	**(27,179)**	3,875
(Decrease)/Increase in creditors	**9,730**	(24,605)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**94,853**	115,854

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	**588,327**	534,785
TOTAL CASH AND CASH EQUIVALENTS	**588,327**	534,785

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	**534,785**	**53,542**	**588,327**

26. PENSION COMMITMENTS

The Charitable Company makes contributions, as part of an employee's contract of employment, which are payable to defined contribution schemes chosen by the employer. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £28,173 (2021: £24,952). Contributions totaling £1,067 (2021: £NIL) were payable to the fund at the Balance Sheet date and are included in creditors.

27. OPERATING LEASE COMMITMENTS

At 31 December 2022 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	**2,684**	4,023
Later than 1 year and not later than 5 years	**4,921**	837
	7,605	4,860

28. RELATED PARTY TRANSACTIONS

During the year £1,696 (2021: £18,527) was paid to companies with directors in common control. At the year end £NIL (2021: £9,669) was due to these companies.

During the year £NIL (2021: £3,703) was received by companies with directors in common control. At the year end £NIL (2021: £NIL) was due from these companies.

During the year salarys of £4,796 (2021: £20,373) were paid to direct family members of trustees employed be the charity.

The above transactions represent payments made under normal market conditions for goods, services and related expenses.

NATIONAL SHEEP ASSOCIATION

England & Wales - Charity number 249255

Accounts

Registered number: 00037818
Charity numbers: 249255 and SC042853

NATIONAL SHEEP ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Bishop Fleming

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1 - 2
Trustees' report	3 - 11
Independent auditors' report on the financial statements	12 - 16
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 42

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	Mr D Gregory Mr A Barr (Resigned 18 March 2021) Mr E Thomas (resigned 6 May 2022) Mr J Geldard (resigned 6 May 2022) Ms A McFadzean Mr H Dunn Mr D Phipps Mr T Ward Mr P Myles Mr P Delbridge Mr J Farmer Ms K Hovers (appointed 29 April 2021) Mr B Griffiths (resigned 21 January 2021) Mr A Alderson (appointed 6 May 2022) Dr Y P Le Du (appointed 18 March 2021) Mr A Foulds (appointed 18 March 2021) Mr C Sercombe (appointed 18 March 2021) Miss C Hughes (appointed 6 May 2022)
Company registered number	00037818
Charity registered numbers	249255 and SC042853
Registered office	The Sheep Centre Malvern Worcestershire WR13 6PH
Honorary President	Lord Inglewood
Chief executive officer	Mr P Stocker
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Bankers	Lloyds Bank plc Malvern Worcestershire WR14 4QG

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Solicitors	Roythornes Enterprise Way Pinchbeck Spalding Lincolnshire PE11 3YR
Investment advisors	Rathbones George House 50 George Square Glasgow G2 1EH

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their Annual report together with the audited financial statements of the Company for the year 1 January 2021 to 31 December 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Summary of objectives and activities

The charitable object of NSA is ‘to encourage and improve breeding, management and promotion of sheep as a species and as an activity in the UK 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 its objects, in that NSA takes a broad interpretation of ‘promotion of the activity’ to encompass the setting up of private and public dialogue with organisations and individuals whose vested interests might affect beneficially or adversely the sheep industry.

Working within the remit of its charitable object, NSA has a vision for the UK sheep sector: This is stated as: ‘NSA believes in an optimum and resilient UK sheep population that is inherently healthy and able to cope with disease and parasite challenges. Diverse in its structure, contributing to feeding and providing fibre for an increasing global population, while adapting to the effects of and responding to the challenges of climate change and sustainable land management. We see our reputation being enhanced by working in harmony with areas of public interest – playing our part in mitigating global warming, improving our environment and ecology, enhancing landscapes, wise and responsible resource use, and protecting and creating culture and rural employment. Our vision is one of the people involved in keeping sheep being enthusiastic, knowledgeable and aspiring to best practice – and those not keeping sheep increasingly aware of the core aspects of sheep farming and appreciative of the contribution sheep make to society.’

In order to achieve this vison, NSA categorises its work into four pillars – economics, health, environment and society. All activities address at least one of these pillars, with membership being core to success. Maintaining membership (and even aspiring to grow it, despite the number of sheep farmers in the UK continuing to fall) is key to increasing engagement and assisting with the communication of messages to farmers and non-farmers. Providing a programme of activity to encourage and support young people is an overriding priority, to safeguard the future of the sheep sector and NSA itself.

In summarising activity in 2021, it is impossible not to focus on the continued impact of covid-19. NSA returned to face-to-face activities where possible but took learnings from 2020 to continue with virtual events and meetings where and when appropriate. It was a blow to have to cancel another year of sheep events, but still possible to offer plenty to the membership by combining smaller regional events, the usual ram sales, and NSA Next Generation activities, alongside a strong online offering. Engagement with non-farmers continued to strengthen, with online meetings and a growing social media reach.

b. Main objectives for the year

The main objectives for the year were all linked to delivery of the NSA vision for the UK sheep sector.

- Maintain membership to increase engagement and assist with communicating messages.

Objectives and activities (CONTINUED)

- Promote the positive contribution of sheep farming and associated industries to the economy, health, environment and society, providing a considered view to policymakers, appropriate bodies and the public that incorporates scientific information where it is available, and the views of grassroots members.
- Disseminate information to sheep farmers to support them in maintaining and increasing their positive contribution to the economy, health, environment and society, raising awareness and giving practical guidance about breeding, nutrition and general management.
- Raise awareness and communicate on key industry topics – in order that policies are well-informed, practical and, when altered, reflect what the sheep sector already contributes – and in order that farmers can understand policies and have time to react to any change.
- Provide a programme of activity to encourage and support young people entering the industry or succeeding family members within the industry. This is delivered through the NSA Next Generation programme.
- Provide a network of events and activities to facilitate connections and knowledge exchange within the industry, and support members through additional activities and communication.

c. Main aims and significant activities for achieving objectives

NSA believes communication is key to delivering the NSA vision for the UK sheep sector, specifically to retain and recruit members, and ensure the association has the profile to be invited to and engaged with on key industry topics. Therefore, the main aim is to continually maintain and build on a variety of effective and meaningful communication routes. External communications are written consultation responses and verbal input to government select committees and other government-led meetings and forums, as well as press releases, public-facing information on the NSA website and public-facing social media posts. Internal communications (to the membership) are the NSA Weekly Email Update, Sheep Farmer magazine and direct emails, as well as online information and social media posts that will be seen by all sheep farmers, regardless of whether they are members. Communications were maintained and enhanced in 2021, with NSA invited to an increased range of government policy meetings and forums, a higher number of press releases issued, a website redesign initiated, and an increased social media reach.

Activity and communication were equal across the four pillars within the NSA vision. Public discussion about the environment was greater than ever before (in part due to the UK hosting COP26) and, while this led to increased activity by NSA to talk about sheep being part of the solution for many environmental challenges, the four pillars are so intertwined there was dialogue about all of them. For example, the importance of sheep being profitable in order to engage and invest in environmentally sound practices, the impact of healthier animals on carbon footprints, and the societal value of managed rural environments.

d. Volunteers

The work of NSA is only possible due to the many volunteers who work tirelessly on behalf of the organisation, from the officeholders who represent the views of their regions on various committees, to the volunteers who organise regional events and ram sales. The Trustees take this opportunity to thank all those who contributed in any way to NSA and the sheep industry in 2021, tolerating yet another year of uncertainty, altered plans and virtual meetings due to covid-19.

e. Main activities undertaken to further the Company's purposes for the public benefit

As outlined in the NSA vision for the sheep sector, sheep farming provides a plethora of public goods. In 2021, NSA ensured sheep farmers had access to information to maintain and increase their contribution to the economy, health, the environment and society. It also clearly and consistently communicated to policymakers, appropriate bodies and the public that sheep and sheep farming have a clear public benefit and can enhance this further still with the right post-Brexit policy framework.

Achievements and performance

a. Main achievements of the Company

Having outlined the main aims and the significant activities for achieving objectives, NSA reports a number of highlights for 2021.

- NSA involvement in high-level Government policy discussions about post-Brexit farm support payments, with NSA staff members and numerous NSA officeholders involved in consultation and pilot projects for the new Sustainable Farming Incentive, and Animal Health & Welfare Pathway. Opinions of NSA officeholders and NSA positions/views actively sought out.
- Establishment of an NSA Science Advisory Panel, as a group of recognised scientists and experts able to provide scientifically robust responses to high-profile issues including the role of ruminants in climate change and of red meat in balanced diets.
- Production of a 'Sheep are already part of the solution' booklet, distributed to all MPs ahead of COP26 and used in far-reaching public engagement through the use of farmer case studies.
- Sustained NSA participation in cross-industry groups working in the animal health and husbandry areas, including the Responsible Use of Medicines in Agriculture (RUMA) alliance, Sustainable Control of Parasites in Sheep (SCOPS) group, and newly formed Ruminant Health and Welfare Group (RHWG), as well as other industry groups working in trade, supply chain and traceability.
- Due to NSA involvement, increased activity by the Global Sheep Producers Forum to work on an international level to validate and inspire sheep farmers with environmental, welfare and nutritional credentials, and encourage young leaders within the sector.
- Progress made on better legislation to protect sheep from attacks by dogs, with years of NSA awareness-raising work rewarded with new legislation passing through Scottish Parliament and draft legislation passing through Whitehall.
- NSA written into a successful funding-bid to research and develop a community-based response model to sheep scab. NSA delivering a regional workstream in the 'For Flocks Sake' project and recognised as instrumental to the project design and legacy.
- Launch of the Register of Sheep Advisors (RoSA), a register of professional sheep advisors accessing regular CPD, run as a separate company owned by NSA and BASIS. Higher than anticipated members in the first year, strong industry recognition from the outset and a strong working relationship established with BASIS to build on in the future.
- Establishment of the NSA Breakfast Club, a regular webinar that has become recognised in the industry and is well attended by sheep farmers and industry representatives. High profile speakers have regularly accepted invitations.
- A successful year for NSA Next Generation, despite this being an area that suffered more than most in 2020 as a result of covid-19. More than 60 individuals applied for a new NSA Next GENE-eration project, which boosted the breeding of six flocks with the inclusion of free-of-charge breeding males. Two NSA Next Generation events (Stirling and Shropshire) were well attended in autumn 2021 and provided a much-missed networking opportunity for young sheep farmers and new entrants. And nearly 50 individuals applied for the NSA Next Generation Ambassador programme (applications in 2021 for the 2022 programme) including individuals who had been accepted onto the covid-cancelled 2020 programme.
- Five NSA ram sales conducted despite covid-19 uncertainty, allowing sheep farmers to trade in genetics and network at important industry events. Plus a small number of regional farm walks and face-to-face meetings, marking the recovery from numerous covid-19 lockdowns.

Achievements and performance (CONTINUED)

b. Key performance indicators

Work was initiated in 2021 to review the NSA Strategy, which resulted in an updated strategy and clearer KPIs being agreed for 2022 and beyond. These indicators of success are as follows.

- **External. Economics.** NSA considers the size of the national flock to be the most accurate indicator of the health and sustainability of the sector. The national flock slightly increased in 2021 compared to 2020, which is a positive sign.
- **External. Health.** NSA consistently and accurately provided information and encouragement for sheep farmers to improve the health of the national flock in 2021.
- **External. Environment.** In 2021, NSA continued to gather evidence to support the environmental credentials of UK sheep farming, and consistently and accurately provided information and encouragement for sheep farmers to reduce the climate change footprint of the national flock while contributing to nature recovery and ecosystems.
- **External. Society.** There was sustained, if not increased, public interest in and support for sheep farming in 2021. Applications for NSA Next Generation activity also indicate there are enthusiastic and knowledgeable successors and new entrants coming through to run sheep flocks.
- **Internal. Membership.** There was a small fall in membership numbers in 2021, with data collected suggesting this was mostly due to members retiring or dying. This was against a backdrop of event cancellation again limiting face-to-face membership recruitment.
- **Internal. Association profile.** NSA increased its standing within the industry in 2021, mainly due to increased relationship building, policy, press and online work.
- **Internal. Finances.** Detailed updates elsewhere in this report.
- **Internal. Governance.** Despite covid-19 continuing to curb face-to-face meetings, officeholders continued to be engaged and effective in 2021. The review of the NSA Strategy has identified areas of further improvement, including more formal Trustee/officeholder inductions.
- **Internal. Staff.** A survey in 2021 revealed high levels of staff satisfaction, and a plan has been made to address issues raised about even better connection between NSA Head Office and NSA regions.

c. Review of activities

Structures are in place for regular reviews of activity, primarily through quarterly Board meetings, but also regular Senior Management Meetings and quarterly reporting structures.

d. Factors relevant to achieve objectives

An effective staffing structure at NSA Head Office and regional network of committees and officeholders is key to NSA achieving its objective. Finding the right balance between online and face-to-face meetings/activities will be essential going forward, with varying views within the organisation about the importance of personal contact versus saving time and money by reducing travel. These factors need to be carefully monitored and debated.

e. Fundraising activities and income generation

NSA continues to spread its risk by bringing in income from membership subscriptions, sponsorship, events, project funding and other sources, rather than relying solely on one source. All income streams and significant expenditure continue to be monitored regularly, but there are no significant changes to report in relation to 2021.

Achievements and performance (CONTINUED)

f. Investment policy and performance

The NSA Head Office investment with Rathbones is on a medium risk tolerance with the performance viewed in the medium/long term (three to five-year cycles). Rathbones has the discretion to manage the portfolio based on an investment policy agreed by Trustees, and it reports quarterly to the Board. Investments by NSA regions and ram sales are managed in a similar way, and improvements have been made to the information presented on a regular basis to the Trustees, so they regularly see the picture across the whole of the association. Overall, the performance of the investments in 2021 was satisfactory, particularly considering the volatile global situation / continuing impact of covid-19.

Financial review

a. Overview

The financial position of the NSA remained strong throughout 2021; at year end the total reserves were £1,794,567 (2020 £1,715,435). NSA maintained a flexible balance between investments and working capital, as shown on page 17. This financial flexibility has been a key factor in NSA being able to cope with the particular challenges experienced in 2021, as was also the case in 2020.

Despite the reduction in income from sheep events, the deficit for the year was contained to £11,020 – excluding gains/losses on investments. These totalled £90,152 of gains for the year and, therefore, resulted in a net increase in funds of £79,132 when these are included. This is equivalent to a 4.6% increase in overall funds. NSA has a number of strong income streams, in particular from membership subscriptions, which means the association is not solely reliant on event income to support its activities. This income spread is illustrated on page 17 and the supporting notes.

b. Going concern

The National Sheep Association has neither the intention or the need to cease its work or significantly reduce the scale of its work. The NSA Trustees routinely discuss risks and potential risks to the association and expenditure and income across the entire association is closely monitored. Should income fall below our projections, the association has reserves which can be drawn on if required. NSA has come through one of the most challenging periods in recent history – with covid-19 forcing the cancellation of two years of NSA sheep events, and Brexit posing an unprecedented risk to the sheep farmers who make up the association’s membership. However, the UK sheep sector has had a period of good prices and the loss of trade and exodus of farmers from the sector that was feared at one time has been avoided. The loss of income from NSA sheep events has been felt, but the association has reacted appropriately, managed the risk, and will ‘come back with a bang’ with the industry crying out for the return of the NSA Sheep Event and NSA Scot Sheep in 2022 and other regional sheep events in 2023. NSA learnt a great deal through the global pandemic, and the move of membership recruitment to be a solely online activity in the absence of face-to-face events, means it has a robust, hybrid model for the future. This ensures vital membership income, but it is important for NSA not to be reliant on this or any other single income stream. Therefore the spread of drawing funds from membership subscriptions, sponsorship, events, funding bids etc, is continually under review to ensure NSA adapts to change and initiates new ideas and developments.

c. Reserves policy

The level of free reserves held by NSA at the year-end of 2021 amounted to £1,120,790 (2020 £1,014,903). These free reserves are held in Head Office and are sufficient to cover more than one month's salary costs. This is felt to be sufficient, as the major costs incurred here are covered by subscription income, which is relatively secure. The Trustees believe that, ideally, the reserves in the NSA Rams Sales should be equivalent to 12 months of expenditure and the reserves in the NSA Regions should be equivalent to 24 months of expenditure, as these are the periods between the major fundraising events where income is generated. While this has been achieved in most Regions, they are mindful of problems in the industry over previous years and, therefore, the ideal level will not be attained quickly for all regions.

The Trustees feel the current level of reserves is appropriate for the current work of NSA, including Head Office work, regional activities and ram sales. The Trustees feel the most appropriate investment for the liquid assets of NSA is to use a deposit account to ensure accessibility. Historically, NSA has operated with significant reserves, as membership subscription income is mainly received in the first part of the year and reserves were kept for easy access if needed in the later part of the year. However, improvements to cashflow predictions have been made and the policy now is to operate with minimal reserves and optimise investments. Steps were taken in 2021 in progress this and NSA is in the advanced stages of finalising a written policy for the Trustees to sign off and regularly review.

d. Investments policy

As stated in the previous section of this report, the NSA Head Office investment is with Rathbones on a medium risk tolerance with the performance viewed in the medium/long term. Rathbones has the discretion to manage the portfolio based on an investment policy agreed by Trustees, and (alongside the reserves policy) NSA is in the advanced stages of updating a written investment policy to sit alongside the reserves policy.

e. Principal risks and uncertainties

NSA has a risk register, which is reviewed by the Trustees on a six-monthly basis. The risk register is split into two parts – external risks such as risks within the sheep sector that may impact the financial ability of sheep farmers to pay a membership subscription – and internal risks such as loss of key staff members. Steps have already been taken to mitigate risks that are within NSA's control, partly through ongoing improvement to financial and reporting systems, and partly through the review of the NSA Strategy, as mentioned elsewhere in this document. There is nothing of concern to report in relation to 2021.

f. Fundraising policy

NSA does not use professional fundraisers and does not fundraise through public appeals. It did not receive any complaints about fundraising activities in 2021. The Association's principal funding is through membership subscriptions from people working in the sheep industry, and corporate sponsorship packages for commercial companies wanting to work with NSA. Apart from membership subscriptions, the major fundraising activities are the organisation of business-to-business NSA Sheep Events, the sale of advertising, and to a much lesser extent, occasional activities such as the purchase of raffle tickets at shows and events. NSA occasionally manages to access grant and statutory funding. In 2021 this included two EU-funded projects spanning 2021 and 2022. NSA occasionally received legacies, but this was not the case in 2021. NSA continued to make an annual Gift Aid claim from HMRC. All events and activities have budgets prepared in advance having regard to risks. The content and sponsors of events are chosen by committees to be appropriate to the aims of the Association. The event organisers and event committees meet regularly to review progress and budgets and there are financial controls in place to reduce the risk of fraud and financial loss. There is regular liaison and reporting between regions, ram sales and head office to monitor fundraising activities.

g. Principal funding

This continues to be membership subscriptions, with other income streams listed above contributing to an important extent.

Structure, governance and management

a. Constitution

During 2021 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 2015 AGM 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 £1.

b. Methods of appointment or election of Trustees

There were 16 Trustees, who are also directors for the purpose of company law, who served during 2021. Two Trustees reached the end of their terms in 2021 and, due to there being a vacant position unfilled in 2020, three new Trustees were elected in 2021.

- Mr Bryan Griffiths resigned 1 February 2021
- Mr Andrew Barr resigned 18 March 2021
- Mr Yann Le Du appointed 25 March 2021
- Mr Andrew Foulds appointed 1 April 2021
- Mr Charles Sercombe appointed 24 May 2021

Between the end of the financial year and the production of this report, an additional two trustees reached the end of their terms and were replaced.

- Mr John Geldard appointed 5 May 2016 and resigned 6 May 2022
- Mr Llew Thomas appointed 5 May 2016 and resigned 6 May 2022
- Mr Alan Alderson appointed 6 May 2022
- Miss Caryl Hughes appointed 6 May 2022

One Trustee was nominated by each of the six NSA regions in England (six Trustees in total). Three were nominated by NSA Cymru/Wales Region, two by NSA Scottish Region and one by NSA Northern Ireland Region. One Trustee acts as Honorary Treasurer to NSA, as elected at the Annual General Meeting each year, and one Trustee acts as Chairman of the Directors, as elected by the Board of Directors (subject to the provision of article 44). There is a rota for retirement of Trustees and they are nominated by regions at their annual regional members' meetings. When a regional nomination is accepted by the Board of Directors, the incoming individual is informed of their responsibilities and duties as a Trustee Directors and given copies of Charity Commission guidance and NSA printed information. The plan from 2022 onwards is to enhance this with further induction/training for incoming Trustees, to ensure Trustees have an in-depth understanding of the whole NSA structure and operations from the outset.

c. Organisational structure and decision-making policies

The Trustee Directors administer the Charity and Company. There are four Board meetings each year, plus interim meetings where appropriate. The Trustees delegate responsibility to the NSA Finance & General Purposes Committee, to look at quarterly budgetary information and operational detail. This sub-committee meets a minimum of three times per year. Work was carried out in 2021 to review this sub-committee, with it being disbanded and replaced with an NSA Finance Scrutiny Committee from January 2022. This was to reflect that information sharing and reports to the Board have improved over time and, going forward, the new committee will look at specific finance topics in detail, as requested by the Board, rather than being delegated to have a general view. Separate to this, the Trustees also delegate responsibility to the NSA Policy & Technical Committee to discuss NSA positions and activity on regulation, policy, research and development work affecting the sheep sector. This sub-committee meets a minimum of four times a year. Each of the devolved nations has its own committee, as well as six regional committees in England feeding into the NSA English Committee. The Chief Executive manages the day-to-day operations, having regard to the decisions of the Board.

Structure, governance and management (CONTINUED)

d. Management and staff in 2021

Phil Stocker continued as NSA Chief Executive in 2021 and led a team of 12 employed staff including himself – five full-time, five part-time and two on zero hours contracts that vary depending on volumes of work (plus one part-time individual on maternity leave for the majority of the year and covered by other individuals in the headcount of 12). The Policy & Technical Officer employed to cover the maternity leave took a temporary full-time contract to both cover the Technical Officer on maternity leave and the Policy Officer not replaced in October 2020. This worked on a short-term basis but, combined with the review of the NSA Strategy initiated in 2020, it became clear that staff were stretched and the organisation was at risk from not having enough seniority within the staffing structure. A Senior Management Team (involving the salaried Chief Executive and Operations Director plus the Trustees serving as Chairman and Honorary Treasurer) was formalised and began to meet regularly. Additional steps were also initiated in late 2021 with a revised staffing structure put in place in early 2022 with a Communication Manager, Project Manager and Policy Manager appointed to better cover the volume of work and introduce a level of seniority beneath the Senior Management Team. An additional role was also identified at this time, to be filled in mid-2022, to further develop NSA Next Generation activity and support NSA regions where they need. This will increase the head count in 2022 to 14 employed staff – six full-time, six part-time and two on zero hours contracts.

e. Pay policy for key management personnel

The Trustees discuss and approve the annual budget, which includes a total salary figure for all staff. All staff receive an annual appraisal, which helps inform the Chief Executive's proposal for individual salaries within that total figure. The NSA Chairman and NSA Honorary Treasurer consider these individual salaries on a confidential basis, and also provide an annual appraisal for the Chief Executive and decide the salary for this role. In addition to salaries, all staff can claim expenses in line with the set expenses policy.

f. Related party relationships

During 2021 sponsorship/advertising income was received from five companies with a link to an NSA Trustee or key officeholder. The combined income for these was £3,690. Also during the year, payments were made to one company owned/part-owned by an NSA Trustee (for consultancy services separate to the Trustee's role on the NSA Board), to one company owned/part-owned by an NSA employee (for freelance photography services separate to the employee's NSA role) and to two companies owned/part-owned by an NSA regional manager (as these regional managers provide their services via these two companies). The combined expenditure across four companies was £16,721. Income received from and expenditure with related parties was in pursuit of NSA's charitable objectives. An additional note for 2021 is that NSA employed a direct family member of a key officeholder, and paid an honorarium to an NSA regional manager who was a direct family member of a regional officeholder. There are no related parties that either control or significantly influence the decisions and operations of NSA.

g. Financial risk management

As stated in the previous section of this report, NSA has a risk register that is reviewed by the Trustees on a six-monthly basis. Financial risks are a specific part of the risk register, including loss of subscription income and loss of sponsorship income. These are key priorities for relevant staff members, with monthly internal meetings and workstreams dedicated to membership recruitment and retention, and regular sharing of information within the Head Office team and regional officeholders about sponsorship opportunities and the range of commercial companies we maintain healthy working relationships with. The risk of losing sponsorship income became a reality in 2020 and 2021, due to covid-19 cancelling two years' worth of NSA sheep events – but because NSA understood the impact this would have on the whole organisation, Head Office and the regions reacted appropriately and continue to monitor the ongoing affect of that loss of income.

Structure, governance and management (CONTINUED)

h. Trustees' indemnities

Each member of NSA, including the Trustees, undertakes to contribute to the assets of the company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1 for the debts and liability contracted before they cease to be a member.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mr D Gregory
Treasurer
Date: 10/8/2022

Mr D Phipps
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL SHEEP ASSOCIATION

OPINION

We have audited the financial statements of National Sheep Association (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities;

The procedures undertaken in order to identify and assess risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, are as follows:

- We have considered the nature of the industry and sector, control environment and business performance;
- We have considered the results of our enquiries of management and the Chair of the Board about their own identification and assessment of the risk of irregularities
- For any matters identified we have obtained and reviewed the Charitiy's documentation of their policies and procedures relating to;
    - Identifying, evaluating and complying with laws and regulations whether they were aware of any instances of non-compliance;
    - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
    - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team, including internal tax specialists regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
- Revenue recognition; and
- Accounting estimates.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities SORP (FRS 102) - Accounting and Reporting by Charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations and employment legislation.

Audit response to risks identified:

As a result of performing the above procedures, we have identified revenue recognition and accounting estimates as key audit matters related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- Documenting and validating the control environment for income and debtors and carrying out walkthrough testing;
- Undertaking substantive sample-based testing or proof in total calculations on all material revenue streams to ensure revenue has been recognised appropriately and accurately;
- Considering manual income journals as part of our work on fraud risks documented above;
- Reviewing the financial statement disclosures and testing to supporting documentation;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Wood FCCA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 16th August 2022

Bishop Fleming LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	**36,369**	**17,259**	**53,628**	51,907
Charitable activities	5	**632,801**	**44,361**	**677,162**	505,398
Other trading activities	6	**38,597**	**-**	**38,597**	34,748
Investments	7	**48,210**	**-**	**48,210**	44,714
Other income	8	**10,533**	**-**	**10,533**	27,644
Total income		**766,510**	**61,620**	**828,130**	664,411
Expenditure on:					
Charitable activities	9	**785,682**	**53,468**	**839,150**	734,513
Total expenditure		**785,682**	**53,468**	**839,150**	734,513
Net (expenditure)/income before net gains/(losses) on investments		**(19,172)**	**8,152**	**(11,020)**	(70,102)
Net gains/(losses) on investments		**90,152**	**-**	**90,152**	(4,166)
Net income/(expenditure)		**70,980**	**8,152**	**79,132**	(74,268)
Transfers between funds	21	**(4,391)**	**4,391**	**-**	-
Net movement in funds		**66,589**	**12,543**	**79,132**	(74,268)
Reconciliation of funds:					
Total funds brought forward		**1,696,790**	**18,645**	**1,715,435**	1,789,703
Net movement in funds		**66,589**	**12,543**	**79,132**	(74,268)
Total funds carried forward		**1,763,379**	**31,188**	**1,794,567**	1,715,435

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 42 form part of these financial statements.

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00037818

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	**177,099**	180,853
Investments	16	**959,527**	879,378
Investment property	15	**350,000**	350,000
		1,486,626	1,410,231
Current assets			
Stocks	17	**3,048**	3,147
Debtors	18	**83,145**	87,017
Cash at bank and in hand		**534,785**	602,679
		620,978	692,843
Creditors: amounts falling due within one year	19	**(313,037)**	(337,639)
Net current assets		**307,941**	355,204
Total assets less current liabilities		**1,794,567**	1,765,435
Creditors: amounts falling due after more than one year	20	**-**	(50,000)
Net assets excluding pension asset		**1,794,567**	1,715,435
Total net assets		**1,794,567**	1,715,435
Charity funds			
Restricted funds	21	**31,188**	18,645
Unrestricted funds	21	**1,763,379**	1,696,790
Total funds		**1,794,567**	1,715,435

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mr D Gregory
Treasurer
Date: 10/8/2022

Mr D Phipps
Chair

The notes on pages 20 to 42 form part of these financial statements.

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	**115,854**	101,038
Cash flows from investing activities		
Dividends, interests and rents from investments	**(48,210)**	(44,714)
Proceeds from the sale of tangible fixed assets	**760**	-
Purchase of tangible fixed assets	**(6,149)**	(3,185)
Proceeds from sale of investments	**193,444**	77,182
Purchase of investments	**(183,441)**	(55,219)
Revaluation of investments	**(90,152)**	4,166
Net cash used in investing activities	**(133,748)**	**(21,770)**
Cash flows from financing activities		
Cash inflows from new borrowing	**-**	50,000
Repayments of borrowing	**(50,000)**	-
Net cash (used in)/provided by financing activities	**(50,000)**	**50,000**
Change in cash and cash equivalents in the year	**(67,894)**	**129,268**
Cash and cash equivalents at the beginning of the year	**602,679**	473,411
Cash and cash equivalents at the end of the year	**534,785**	602,679

The notes on pages 20 to 42 form part of these financial statements

1. GENERAL INFORMATION

National Sheep Association is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is The Sheep Centre, Blackmore Park Road, Malvern, Worcetershire, WR13 6PH.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

National Sheep Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetrary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investments properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

2.2 GOING CONCERN

The National Sheep Association has neither the intention or the need to cease its work or significantly reduce the scale of its work. The NSA Trustees routinely discuss risks and potential risks to the association and expenditure and income across the entire association is closely monitored. Should income fall below our projections, the association has reserves which can be drawn on if required. NSA has come through one of the most challenging periods in recent history – with covid-19 forcing the cancellation of two years of NSA sheep events, and Brexit posing an unprecedented risk to the sheep farmers who make up the association's membership. However, the UK sheep sector has had a period of good prices and the loss of trade and exodus of farmers from the sector that was feared at one time has been avoided. The loss of income from NSA sheep events has been felt, but the association has reacted appropriately, managed the risk, and will 'come back with a bang' with the industry crying out for the return of the NSA Sheep Event and NSA Scot Sheep in 2022 and other regional sheep events in 2023. NSA learnt a great deal through the global pandemic, and the move of membership recruitment to be a solely online activity in the absence of face-to-face events stands means it has a robust, hybrid model for the future. This ensures vital membership income, while the model of not relying on subscriptions alone, but also drawing funds from sponsorship, events, funding bids etc, is continually under review to ensure NSA adapts to change and initiates new ideas and developments.

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £200 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. ACCOUNTING POLICIES (continued)

2.5 TANGIBLE FIXED ASSETS AND DEPRECIATION (CONTINUED)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a reducing balance basis and on a straight line basis.

Depreciation is provided on the following bases:

Land and Building	- 2% on Cost / 5% Reducing balance
Motor vehicles	- 25% Reducing balance
Fixtures and fittings	- 10-25% on Cost / 20-25% Reducing balance

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

2.6 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investment property, which is property held to earn rentals and/or capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditue) for the year. No depreciation is charged on investment property.

Although this accounting policy is in accordance with FRS102 section 16, the lack of depreciation is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the trustees, compliance with the standard is necessary for the financial statements to give a true and fair view and in all other respects the Charity has complied with the Act. As a result, the value of investment property in the balance sheet is higher, and the depreciation charge in the statement of financial activities lower than they would be under the requirements of the Act.

2.7 STOCKS

Stocks are stated at the lower cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

2.8 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. ACCOUNTING POLICIES (continued)

2.10 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 FINANCIAL INSTRUMENTS

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.13 PENSIONS

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2.14 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Estimated useful lives of tangible fixed assets
In determining the estimated useful life the Charity considers the expected physical wear and tear of the asset that could lead to obsolecence of the asset. Each year the Charity reviews the above to establish if there is any change in the expected useful life of tangible assets.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Investment property valuation
The investment property is held at fair value and the orignal valuation was carried out on 25 June 2015 by Charles Knowles, a RICS registered firm. It was arrived at by reviewing the market for transaction prices for similar properties. Each year the Charity reviews this valuation, to determine whether they still considered this to be accurate at the year end.

Deferred subscription income
Annual membership renewals occur throughout the year, so when the charity receives member's subscription income in the current year, some of this may relate to the following year. This part is treated as deferred income in the current accounting period and will be recognised in the statement of Financial Activities in the following accouting period.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	**Restricted funds 2021 £**	**Total funds 2021 £**	Total funds 2020 £
Donations	36,369	-	**36,369**	39,154
Grants	-	10,000	**10,000**	-
Government grants	-	7,259	**7,259**	12,753
	36,369	17,259	**53,628**	51,907
TOTAL 2020	39,154	12,753	51,907	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Ram Sales	111,126	-	**111,126**	9,356
Sheep Farmer Advertising	123,352	-	**123,352**	101,217
Other Charitable Income	36,894	1,000	**37,894**	44,039
Sustainable Control of Parasites in Sheep	14,394	-	**14,394**	3,425
Membership Services	347,035	-	**347,035**	347,361
RoSA project	-	1,354	**1,354**	-
RDPE Moredun project	-	20,400	**20,400**	-
Erasmus project	-	21,607	**21,607**	-
	632,801	44,361	**677,162**	505,398
TOTAL 2020	501,382	4,016	505,398	

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fundraising events	38,597	**38,597**	34,748
TOTAL 2020	34,748	34,748	

7. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	20,531	**20,531**	20,515
Investment income	27,593	**27,593**	23,776
Interest receivable	86	**86**	423
	48,210	**48,210**	44,714
TOTAL 2020	44,714	44,714	

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other income	9,424	**9,424**	5,446
Promotional items	98	**98**	433
P & O Booking Service	1,011	**1,011**	21,765
	10,533	**10,533**	27,644
TOTAL 2020	27,644	27,644	

9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Breeding Improvement Other Costs	61,923	-	**61,923**	25,330
Membership Services and Enquiries	90,368	-	**90,368**	89,485
Education and Promotion Other Costs	473,765	53,468	**527,233**	496,883
Fundraising Costs	159,626	-	**159,626**	122,815
	785,682	53,468	**839,150**	734,513
TOTAL 2020	717,783	16,730	734,513	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Breeding Improvement Other Costs	61,923	-	**61,923**	25,330
Membership Services and Enquiries	5,574	84,794	**90,368**	89,485
Education and Promotion Other Costs	203,247	323,986	**527,233**	496,883
Fundraising Costs	64,855	94,771	**159,626**	122,815
	335,599	503,551	**839,150**	734,513
TOTAL 2020	234,780	499,733	734,513	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Breeding Improvement Other Costs 2021 £	Membership Services and Enquiries 2021 £	Education and Promotion Other Costs 2021 £	Fundraising Costs 2021 £	Total funds 2021 £	Total funds 2020 £
SCOPS	-	-	2,283	-	**2,283**	2,217
iSage	-	-	-	-	**-**	2,028
Sheep Farmer costs	-	-	67,171	-	**67,171**	72,262
Design and Printing	-	-	13,933	-	**13,933**	15,751
Next Generation Ambassadors	-	-	4,471	-	**4,471**	3,997
Branding and Merchandise	-	-	1,090	-	**1,090**	2,859
Moredun Initiative	-	-	7,501	-	**7,501**	10,000
DBEIS Grant Expenditure	-	-	-	-	**-**	10,066
Regional Secretaries & Officers fees	-	-	57,308	-	**57,308**	55,018
Membership Promotion	-	5,574	-	-	**5,574**	4,249
Ram sale expenses	52,928	-	-	-	**52,928**	864
Storage of Semen	8,481	-	-	-	**8,481**	7,128
P & O Expenditure	514	-	-	-	**514**	17,338
Subscriptions for other bodies	-	-	2,631	-	**2,631**	3,092
Awards and Donations	-	-	1,050	-	**1,050**	360
Costs of generating funds	-	-	-	64,855	**64,855**	27,551
RoSA project	-	-	3,818	-	**3,818**	-
RDPE Moredun project	-	-	40,470	-	**40,470**	-
Erasmus project	-	-	1,521	-	**1,521**	-
	61,923	5,574	203,247	64,855	**335,599**	234,780
TOTAL 2020	98,313	4,249	177,650	27,551	234,780	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Membership Services and Enquiries 2021 £	Education and Promotion Other Costs 2021 £	Fundraising Costs 2021 £	**Total funds 2021 £**	Total funds 2020 £
Staff costs	63,582	194,485	71,062	**329,129**	326,353
Staff costs - Governance	-	44,881	-	**44,881**	46,207
Depreciation	1,668	6,218	1,865	**9,751**	9,724
Printng, Photocopying, Postage & Stationery	3,874	14,536	4,330	**22,740**	12,103
General office expenses	46	174	52	**272**	5,006
Telephone, Computer & Website	4,785	18,015	5,348	**28,148**	27,637
Travelling expenses & Subsistences	3,458	13,084	3,866	**20,408**	20,588
Rates, Utilities & Insurance	3,390	12,761	3,788	**19,939**	18,511
Property Repairs	463	1,743	517	**2,723**	2,157
Legal & Professional	286	1,076	320	**1,682**	1,692
Accountancy	679	2,556	759	**3,994**	12,395
Bank Charges	560	2,108	626	**3,294**	2,620
Bad Debts	2,003	(1,180)	2,238	**3,061**	3,536
Governance - Audit Fees	-	10,575	-	**10,575**	10,075
Board and AGM Meeting Costs	-	2,954	-	**2,954**	1,129
	84,794	323,986	94,771	**503,551**	499,733
TOTAL 2020	96,552	339,707	142,911	499,733	

11. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**10,575**	10,075

12. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	**277,500**	281,210
Social security costs	**26,677**	17,397
Contribution to defined contribution pension schemes	**24,952**	27,746
Wages and salaries included within governance	**44,881**	46,207
	374,010	372,560

The average number of persons employed by the Company during the year was as follows:

	2021	2020
	No.	No.
Employees	**13**	13

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

	2021	2020
	No.	No.
Regional Secretaries and Officers	**11**	8
Ram Sales Secretaries and Officers	**5**	1
Regional Event Managers	**2**	1
	18	10

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. The following payments to these officers were made:

	2021	2020
	£	£
Regional Secretaries and Officers	28,858	30,945
Ram Sales Secretaries and Officers	28,450	25,500
Regional Events Managers	16,000	9,000

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
	No.	No.
In the band £70,001 - £80,000	**-**	1
In the band £80,001 - £90,000	**1**	-

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year, one or more Trustees has been paid remuneration or has received other benefits from an employment with the Company. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£	£
Mr D Gregory	Other benefits	**4,702**	10,200

During the year ended 31 December 2021, expenses totalling £2,551 were reimbursed or paid directly to 7 Trustees (2020 - £1,151 to 6 Trustees).

14. TANGIBLE FIXED ASSETS

	Freehold property	**Motor vehicles**	**Fixtures and fittings**	**Total**
	£	**£**	**£**	**£**
COST OR VALUATION				
At 1 January 2021	**247,517**	**9,430**	**108,669**	**365,616**
Additions	**-**	**-**	**6,149**	**6,149**
Disposals	**-**	**-**	**(760)**	**(760)**
At 31 December 2021	**247,517**	**9,430**	**114,058**	**371,005**
DEPRECIATION				
At 1 January 2021	**89,224**	**9,221**	**86,318**	**184,763**
Charge for the year	**3,343**	**52**	**6,356**	**9,751**
On disposals	**-**	**-**	**(608)**	**(608)**
At 31 December 2021	**92,567**	**9,273**	**92,066**	**193,906**
NET BOOK VALUE				
At 31 December 2021	**154,950**	**157**	**21,992**	**177,099**
At 31 December 2020	158,293	209	22,351	180,853

15. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2021	**350,000**
At 31 December 2021	**350,000**

The fair value of the investment property brought forward had been arrived at on the basis of a valuation carried out on 25 June 2015 by Charles Knowles, a RICS registered firm, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. Each year the charity reviews this valuation, to determine whether they still considered this to be accurate at the year end and from a review of similar property prices in the area. In 2018 there was a £30k increase in the directors' opinion which was uplifted in the valuation. A revaluation is planned for the 2022 financial year, however the directors believe that there is no significant movement in the valuation for the year ended 31 December 2021.

16. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Total £
COST OR VALUATION			
At 1 January 2021	**613,168**	**266,210**	**879,378**
Additions	**183,441**	**-**	**183,441**
Disposals	**(183,444)**	**(10,000)**	**(193,444)**
Revaluations	**53,150**	**37,002**	**90,152**
AT 31 DECEMBER 2021	**666,315**	**293,212**	**959,527**
NET BOOK VALUE			
AT 31 DECEMBER 2021	**666,315**	**293,212**	**959,527**
AT 31 DECEMBER 2020	613,168	266,210	879,378

17. STOCKS

	2021 £	2020 £
Goods for resale	**3,048**	3,147

18. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	**44,837**	47,448
Other debtors	**20,700**	20,375
Prepayments and accrued income	**17,608**	15,862
Tax recoverable	**-**	3,332
	83,145	87,017

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	**36,526**	64,596
Other taxation and social security	**8,910**	7,414
Other creditors	**17,577**	26,807
Accruals and deferred income	**250,024**	238,822
	313,037	337,639

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Bank loans	**-**	50,000

Included within the above are amounts falling due as follows:

BETWEEN TWO AND FIVE YEARS		
Bank loans	**-**	30,000
OVER FIVE YEARS		
Bank loans	**-**	20,000

21. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Central Region	**19,523**	**2,359**	**(4,066)**	**530**	**-**	**18,346**
Cymru Region	**239,478**	**5,611**	**(12,003)**	**(30,110)**	**21,435**	**224,411**
Eastern Region	**35,050**	**-**	**(5,937)**	**-**	**-**	**29,113**
Marches Region	**10,425**	**1,539**	**(3,628)**	**5,250**	**-**	**13,586**
Northern Region	**74,095**	**1,575**	**(18,268)**	**(1,630)**	**-**	**55,772**
Northern Ireland Region	**41,369**	**-**	**(9,447)**	**10,735**	**-**	**42,657**
Scottish Region	**483**	**-**	**(18,131)**	**24,630**	**-**	**6,982**
South East Region	**-**	**5,000**	**(2,597)**	**295**	**-**	**2,698**
South West Region	**16,222**	**30**	**(1,830)**	**1,900**	**-**	**16,322**
South West Ram Sales	**74,347**	**5,343**	**(3,736)**	**(5,115)**	**5,890**	**76,729**
Wales & Border Ram Sales	**170,895**	**117,064**	**(129,323)**	**(18,230)**	**15,567**	**155,973**
	681,887	**138,521**	**(208,966)**	**(11,745)**	**42,892**	**642,589**

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
GENERAL FUNDS						
General Funds	**1,014,903**	**627,989**	**(576,716)**	**7,354**	**47,260**	**1,120,790**
TOTAL UNRESTRICTED FUNDS	**1,696,790**	**766,510**	**(785,682)**	**(4,391)**	**90,152**	**1,763,379**

21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
RESTRICTED FUNDS						
British Heritage Sheep	**7,876**	**1,000**	**(400)**	**(7,374)**	**-**	**1,102**
Echinococcus Parasite in Farm Dogs	**899**	**-**	**-**	**(899)**	**-**	**-**
Lameness Study	**1,219**	**-**	**-**	**(1,219)**	**-**	**-**
DBEIS	**7,663**	**-**	**-**	**(7,663)**	**-**	**-**
iSage	**988**	**-**	**-**	**(988)**	**-**	**-**
RoSA	**-**	**1,354**	**(3,818)**	**2,464**	**-**	**-**
RDPE	**-**	**20,400**	**(40,470)**	**20,070**	**-**	**-**
Erasmus	**-**	**21,607**	**(1,521)**	**-**	**-**	**20,086**
Welsh Government Grant	**-**	**10,000**	**-**	**-**	**-**	**10,000**
Job Retention Scheme	**-**	**7,259**	**(7,259)**	**-**	**-**	**-**
	18,645	**61,620**	**(53,468)**	**4,391**	**-**	**31,188**
TOTAL OF FUNDS	**1,715,435**	**828,130**	**(839,150)**	**-**	**90,152**	**1,794,567**

21. STATEMENT OF FUNDS (CONTINUED)

British Heritage Sheep Project
This project was grant funded by "The Prince's Countryside Fund" and supports a feasibility study to address the key threats to our native sheep breeds, by helping develop a diversified sheepmeat market from the single "Standard Lamb", adding value for farmer-based outlets, and linking sheepmeat, landscape and culture.

iSAGE
The project began in March 2016 and ran for 4 years. The project aimed to "improve the overall sustainability and innovative capicity of the sheep and goat sector in Europe by:

-Enhancing the efficiency and profitability of the sector
-Meeting the needs of consumers
-Increasing the social acceptance and improving the deivery of ecosystem services"

The idea is to involve as many stakeholders in the supply chain as possible, from the farmers to the processors, retailers and consumers.

One of the intended outcomes of the project is is the public goods (PG) tool for assesing sustainability on farms. Using existing information covering environmental, economic and social factors, the results should should give immediate feedback to the farmer on areas where performance is currently good and areas where further development is needed.

Investigations into the Distributions of Echinococcus Parasite in Farm Dogs
Echinococcus is a disease hosted by tapeworms in dogs, sheep and cattle and is a serious danger to humans who come into conact with it via grass/soil/droppings. NSA agreed to support work done by Liverpool University to better understand the prevalence of the disease by engaging with our members and surveying them. This work is core to the NSAs charitable objectives relating to promoting health in sheep.

Lameness Study
Lameness in sheep is a serious condition that affects the welfare and productivity capability of flocks. NSA was asked by Warwick University to support its work in identifying the prevalene of lameness conditions, attitudes to it being a serious problem, and the various ways that farmers aim to deal with it. This work has contributed to an increase in farmer awareness of the impact of lameness in sheep flocks and has also contributed to a signidicant change in attitudes to the problem. This work has contributed significantly to industry ambitions to reduce lameness in the national flock and is in line with the NSAs charitable objectives to promote health in sheep.

DBEIS Grant
In preparation for a potential UK departure from the eU at the end of October 2019 the UK Governments's Department for Business, Energy and Industrial Strategy invited applications for grant funding from industry bodies in order to prepare businesses for a 'no-deal' exit from the EU. NSA were successful in applying for funding of £27,700 which allowed us to produce a Brexit Toolkit. The toolkit consisted of written leaflets and case studies, fuller case studies available on the NSA web site, and pod casts from experts and practitioners who had experience of doing some of the things recommended in the material produced.

RoSA (Register of Sheep Advisers)
The aim of RoSA is to provide UK sheep farmers with a network of progressive advisers who can support them to develop sustainable farming systems which meet the highest standards of animal welfare and environmental protection. RoSA is seen as a voluntary way for the industry to demonstrate a high standard in the proficiency of all those providing advice to sheep farmers and to raise those standards in line with stakeholder expectations.
RoSA is being run in conjunction with BASIS. Both NSA and BASIS hold charitable status and are aligned in their objects in advancing education and standards in agricultural industries for the purposes of science and for public benefit. NSA is the industry leading expert within the sheep industry and BASIS is

21. STATEMENT OF FUNDS (CONTINUED)

the foremost leading provider of training and professional development with proven capability to successfully administer continuing professional development (CPD) registers.

E-Organic Erasmus Project
NSA is the sole UK partner in an EU-funded Turkish-led research project called E-Organic Erasmus, running from early 2021 to the end of 2022. The project will collate information about organic livestock production systems (including but not limited to sheep) from across Europe into a free-to-access online resource. It will also allow nominated individuals from the participating countries (Italy, Spain, Turkey and the UK) to visit each other on study trips.

RDPE Countryside Productivity Scheme Project to Tackle Sheep Scab
In January 2021, funding was awarded by Defra through the European Agricultural Fund for Rural Development for a project designed to demonstrate the effectiveness of a community-led approach to improve the control of sheep scab. The project focuses on three hotspot areas in England, where scab is highly prevalent: The South West (coordinated by the National Sheep Association); The Midlands (coordinated by ADAS) and The North West (coordinated by the Cumbrian Farmers Network). Within each of the three hotspots, there are a number of 'clusters' of farms that either share common boundaries or use the same common grazing, with the aim within each cluster being to foster cooperation in the control of scab. Running over two years, the project offers a great opportunity for farmers to work together, with their local vets and the project coordinators, to stamp out this costly disease, which is of high welfare concern. A full complement of 300 participating farmers have signed up to a unique combination of on-farm advice, best practice training and free blood testing using the sheep scab ELISA test developed by Moredun and available through Biobest Laboratories Ltd. This includes the costs of visits by their local vet to allow two sets of blood samples for ELISA testing, plus a face-to-face advisory visit by the vet for each farm to discuss scab control and biosecurity.

Welsh Government grant
Cymru/Wales Region have been successful in securing a grant from the Wales Cultural Recovery Fund which was set up to help protect sustainable businesses and organisations and as many jobs in the culture sector as possible in order to ensure the sector survives the Covid-19 crisis and remains viable and sustainable in 2021 and beyond. The funding was intended to cover the loss of income from the cancelled Welsh Sheep Event.

Transfers out of restricted
In previous years there was an under allocation of staff costs against restricted projects, this has been corrected in the current financial year to reflect the full spend of the restircted fund.

21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Central Region	23,578	-	(2,255)	(1,800)	-	19,523
Cymru Region	230,189	13,779	(11,352)	(1,800)	8,662	239,478
Eastern Region	33,091	12,644	(8,885)	(1,800)	-	35,050
Marches Region	14,840	-	(3,365)	(1,050)	-	10,425
Northern Region	83,680	62	(7,847)	(1,800)	-	74,095
Northern Ireland Region	46,256	279	(9,366)	4,200	-	41,369
Scottish Region	19,250	2,817	(19,784)	(1,800)	-	483
South East Region	321	1,437	(1,758)	-	-	-
South West Region	23,911	37	(5,926)	(1,800)	-	16,222
South West Ram Sales	76,307	2,737	(2,238)	(1,800)	(659)	74,347
Wales & Border Ram Sales	182,756	13,205	(32,096)	(500)	7,530	170,895
	734,179	46,997	(104,872)	(9,950)	15,533	681,887

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
GENERAL FUNDS						
General Funds - all funds	1,036,918	600,645	(612,911)	9,950	(19,699)	1,014,903
TOTAL UNRESTRICTED FUNDS	1,771,097	647,642	(717,783)	-	(4,166)	1,696,790

21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
RESTRICTED FUNDS						
British Heritage Sheep	8,825	1,000	(1,949)	-	-	7,876
Echinococcus Parasite in Farm Dogs	899	-	-	-	-	899
Lameness Study	1,219	-	-	-	-	1,219
DBEIS	7,663	-	-	-	-	7,663
iSage	-	3,016	(2,028)	-	-	988
Job Retention Scheme	-	12,753	(12,753)	-	-	-
	18,606	16,769	(16,730)	-	-	18,645
TOTAL OF FUNDS	1,789,703	664,411	(734,513)	-	(4,166)	1,715,435

22. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2021 £	**Income £**	**Expenditure £**	**Transfers in/out £**	**Gains/ (Losses) £**	**Balance at 31 December 2021 £**
Designated funds	**681,887**	**138,521**	**(208,966)**	**(11,745)**	**42,892**	**642,589**
General funds	**1,014,903**	**627,989**	**(576,716)**	**7,354**	**47,260**	**1,120,790**
Restricted funds	**18,645**	**61,620**	**(53,468)**	**4,391**	**-**	**31,188**
	1,715,435	**828,130**	**(839,150)**	**-**	**90,152**	**1,794,567**

22. SUMMARY OF FUNDS (CONTINUED)

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds	734,179	46,997	(104,872)	(9,950)	15,533	681,887
General funds	1,036,918	600,645	(612,911)	9,950	(19,699)	1,014,903
Restricted funds	18,606	16,769	(16,730)	-	-	18,645
	1,789,703	664,411	(734,513)	-	(4,166)	1,715,435

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	**Restricted funds 2021 £**	**Total funds 2021 £**
Tangible fixed assets	177,099	-	**177,099**
Fixed asset investments	959,527	-	**959,527**
Investment property	350,000	-	**350,000**
Current assets	575,678	45,300	**620,978**
Creditors due within one year	(298,925)	(14,112)	**(313,037)**
TOTAL	1,763,379	31,188	**1,794,567**

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	180,853	-	180,853
Fixed asset investments	879,378	-	879,378
Investment property	350,000	-	350,000
Current assets	653,463	39,380	692,843
Creditors due within one year	(316,904)	(20,735)	(337,639)
Creditors due in more than one year	(50,000)	-	(50,000)
TOTAL	1,696,790	18,645	1,715,435

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	**79,132**	(74,268)
ADJUSTMENTS FOR:		
Depreciation charges	**9,751**	9,593
Depreciation on disposals	**(608)**	-
Dividends, interests and rents from investments	**48,210**	44,714
Decrease in stocks	**99**	124
Decrease in debtors	**3,875**	28,531
(decrease)/Increase in creditors	**(24,605)**	92,344
NET CASH PROVIDED BY OPERATING ACTIVITIES	**115,854**	101,038

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand	**534,785**	602,679
TOTAL CASH AND CASH EQUIVALENTS	**534,785**	602,679

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2021	Cash flows	At 31 December 2021
	£	£	£
Cash at bank and in hand	**602,679**	**(67,894)**	**534,785**
Debt due after 1 year	**(50,000)**	**50,000**	**-**

27. PENSION COMMITMENTS

The Charitable Company makes contributions, as part of an employee's conract of employment, which are payable to defined contribution schemes chosen by the employer. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £24,952 (2020: £27,746). Contributions totaling £Nil (2020: £2,860) were payable to the fund at the Balance Sheet date and are included in creditors.

28. OPERATING LEASE COMMITMENTS

At 31 December 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	**4,023**	6,399
Later than 1 year and not later than 5 years	**837**	1,116
	4,860	7,515

29. RELATED PARTY TRANSACTIONS

During the year £18,527 (2020: £35,765) was paid to companies with directors in common control. At the year end £9,669 (2020: £14,688) was due to these companies.

During the year £3,703 (2020: £Nil) was received by companies with directors in common control. At the year end £Nil (2020: £Nil) was due from these companies.

During the year salarys of £20,373 (2020: £17,485) were paid to direct family members of trustees employed be the charity.,

During the year payments of £Nil (2020: £10,200) were made to a trustee for consultancy services.

The above transactions represent payments made under normal market conditions for goods, services and related expenses.

NATIONAL SHEEP ASSOCIATION

England & Wales - Charity number 249255

Accounts

Registered number: 00037818
Charity numbers: 249255 and SC042853

NATIONAL SHEEP ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Bishop Fleming

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1 - 2
Trustees' report	3 - 14
Independent auditors' report on the financial statements	15 - 19
Statement of financial activities	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements	23 - 44

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	Mr D Gregory Mr A Barr (resigned 18 March 2021) Mr E Thomas Mr J Geldard Ms A McFadzean Mr H Dunn Mr D Phipps Mr T Ward Mr P Myles Mr P Delbridge Mr J Farmer Ms K Hovers (appointed 29 April 2021) Mr B Griffiths (resigned 21 January 2021) Mr C Lewis (resigned 13 August 2020) Mr J Wozencraft (resigned 29 April 2020) Dr Y P Le Du (appointed 18 March 2021) Mr A Foulds (appointed 18 March 2021) Mr C Sercombe (appointed 18 March 2021)
Company registered number	00037818
Charity registered numbers	249255 and SC042853
Registered office	The Sheep Centre Malvern Worcestershire WR13 6PH
Honorary President	Lord Inglewood
Chief executive officer	Mr P Stocker
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Bankers	Lloyds Bank plc Malvern Worcestershire WR14 4QG

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Solicitors	Roythornes Enterprise Way Pinchbeck Spalding Lincolnshire PE11 3YR
Investment advisors	Rathbones George House 50 George Square Glasgow G2 1EH

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their Annual report together with the audited financial statements of the Company for the year 1 January 2020 to 31 December 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Summary of objectives and activities

The NSA's Articles state that the objects for the Association are: "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 its objects 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. NSA promotes 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, in pursuance of our objectives. Specifically for younger sheep farmers, NSA has specific activities to attract and retain young people into the industry, equipping them to be forward-thinking farmers but also young leaders through the NSA Next Generation programme.

While NSA's objectives have not changed, delivery of those objectives in 2020 was turned on its head by Covid-19. While the movement to online meetings for engagement with Government and other bodies with an interest in agriculture and sheep farming was reasonably straightforward (and indeed more efficient in some instances, due to there being no travel time or cost), NSA's engagement with sheep farmers had to completely change. Face-to-face meetings, farm walks and our renowned Sheep Events were all cancelled from mid-March – but swift and effective delivery of online events filled the void as much as possible. These virtual events, as well as strengthening of existing print and online communication, allowed NSA to continue meeting its objectives around sharing industry and technical information with farmers. Some of this will be continued post-covid but returning to face-to-face events of various sizes will be a priority in 2021 and beyond. One success of meetings having to move online has been the ability of the NSA Board and other committees to continue to communicate during the pandemic, with officeholders being largely accepting of the technology and recognising the benefits of being able to engage regularly without travel time and cost. As the NSA offering to its sheep farming members will likely include a mix of actual and virtual events in the future, communication between officeholders and within regional committee is likely to include an online element going forward.

The challenge of the lockdown environment meant NSA's routine activities had to rely more heavily on existing communication routes – the Sheep Farmer magazine, an increasingly interactive website, the NSA Weekly Email Update, press releases and social media. These all strengthened over the course of 2020 as a result. Staff and officers all had to quickly acquire new skills to be able to offer alternative ways to deliver this amended programme of events and meetings.

Objectives and activities (CONTINUED)

b. Main objectives for the year

- Maintain and grow membership where possible to increase engagement and assist with communicating messages;
- Disseminate information to sheep farmers and the wider industry;
- Consult with members, making use of the Association's regional structure, to gain a broad view of opinion;
- Compile a considered view to convey sheep industry views to appropriate bodies and the public.
- Raise awareness and communicate with policy makers in order that policies are well informed, practical, and understood.
- Provide a programme of activity to encourage and support young people entering the industry or considering it.
- Using all available routes, raise awareness and give practical guidance regarding the opportunities available through improving breeding, nutrition and general management on sheep farms.
- Where possible, influence research and development work to ensure it reflects the needs of grassroot farmers to improve breeding, nutrition and general management.

c. Main aims and significant activities for achieving objectives

With face-to-face events traditionally being key to membership recruitment, a specific aim for NSA this year has been to continue work in this area despite the cancellation of shows due to Covid-19. Achievements and performance in this area has been the relative stability of membership during this difficult time, with cancellations not significantly increasing despite the loss of NSA-organised face-to-face events, and a record year for online subscriptions. Useful lessons have been learnt that will strengthen membership recruitment and retention as we move to a mix of online and tradition activity post-pandemic.

Dissemination of information to sheep farmers relied on the strengthening of existing communications routes this year, as outlined above. Topics have been varied but, in the main, led by the UK's departure from the EU.

- A key aim for 2020 was arming members and the wider industry with understanding and knowledge to prepare farm businesses for the expected changes brought about by Brexit. This was via various communication throughout the year but a particular achievement ahead of the final departure from the UK was leading delivery of a webinar for pedigree breed societies (for all livestock species, not just sheep) on the specific impact of Brexit on zootechnical regulations.
- The immediate threat of leaving the EU was around trade, but the longer-term effect will be the creation and adoption of domestic legislation and farm support schemes to replace EU regulations and the Common Agricultural Policy. NSA worked hard to inform and at times co-create the formulation of new policy outcomes (such as the Defra Future Farming programmes) and break this down for sheep farmers, emphasising the increasing interest by the UK Government in animal welfare and environmental outcomes.
- A specific aim was to continue to raise awareness of the positive aspects of increasing sheep health and welfare generally, explaining the positive welfare ambitions of the industry to the public and working with industry to ensure high welfare outcomes. Specific achievements have been around supporting SRUC to develop lighter-weight accreditation schemes for important sheep diseases and working with SCOPS to encourage and register mobile dippers for the control of sheep scab.
- NSA continues to support a range of national initiatives to reduce farm accidents and to promote mental well-being, particularly given the increase in feelings of isolation due to the 2020 lockdowns.

While attitudes to new technology vary within NSA's memberships, officeholders have largely embraced the use of Zoom to hold meetings. This has ensured NSA has met its objective, even without the disappearance of the usual face-to-face committee meetings, to consult with members and make use of the Association's regional structure to gain a broad view of opinions.

Objectives and activities (CONTINUED)

It was important throughout the year to continue strengthening our existing knowledge transfer activity to drive on-farm production efficiencies, via Sheep Farmer magazine, the NSA Weekly Email Update and the NSA website. Breeding, nutrition and general management on sheep farms was effectively covered through a large number of well-attended webinars. A full list of 21 webinars held in 2020 can be found at www.nationalsheep.org.uk/webinars.

Responsible medicine use continues to be a particularly important topic for sheep farm management, and NSA continued to be actively involved in the Responsible Use of Medicine in Agriculture (RUMA) Alliance, with a specific interest in appropriate antibiotic use, and in the Sustainable Control of Parasites in Sheep (SCOPS) Group, looking at best practice use of anthelmintics. NSA was an active member of the Sheep Health and Welfare Group (SHAWG) until its disbandment in autumn 2020 and is already well established in the replacement Ruminant Health and Welfare Group (RHWG), which will be important in prioritising activity around production-affecting diseases and finding consistency between various approaches throughout the UK.

The EU-wide Innovation for Sustainable Sheep and Goat Production in Europe (iSAGE) project came to an end at the beginning of 2020, but NSA's involvement in this initiative marked a change in the Association's approach to research and development. A key achievement is that NSA now has a structure and resource to be more vocal and influential in which topics are prioritised for research and how projects are developed to ensure they reflects the needs of grassroot farmers to improve breeding, nutrition and general management. NSA supported various funding bids in 2020 and was involved at a consultancy level in several sheep related projects. NSA was also written into a successful bid for Rural Development Programme funding for a major sheep scab project, which will begin in early 2021 and work to identify community-led approaches to controlling this problematic sheep disease.

None of these achievements would have been possible without the help of NSA members who give up their time, free of charge, for the benefit of sheep farmers. 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 2020 and since. NSA is very grateful for their commitment to the Association, especially given the impact Covid-19 has had on every aspect of life, not least the activities of NSA.

Achievements and performance

Achievements and performance (CONTINUED)

a. Main achievements of the Company

In addition to meeting its objectives, NSA made a number of key achievements in 2020. In a year where Covid-19 impacted every aspect of society and the UK left the European Union, it was a major achievement for NSA to not only continue its everyday function but also deliver specific Brexit activities to support its members. It was a notable achievement to continue the breadth and depth of topics on which NSA has compiled a considered view and conveyed it to appropriate bodies and the public, particularly given the rapidly changing political situation throughout 2020.

Another key achievement, over and above the organisation's objectives, was establishing British Heritage Sheep as a standalone company, wholly owned by NSA. The intention of British Heritage Sheep is to differentiate and raise the profile of products from British heritage sheep breeds by highlighting their particular role in managing the environment, iconic landscapes and rural communities. Separate to this, the opportunity was also taken for NSA to be instrumental in creating a new Global Sheep Producers Forum, working with other nations including Canada, New Zealand and Australia. The main work to date has been to establish the foundations of the forum, to draft a general narrative on the subject of sheep farming, and to explore initiatives to support young leaders.

Throughout 2020, NSA continued to discuss the need for quality advice for sheep farmers, particularly given the likelihood of new and potentially more complicated support schemes in the future. NSA is of the opinion that farmers should not be legislated to take external advice but should have access to it where appropriate for their business needs. With this in mind, conversations were initiated around a register that provides a qualification for sheep consultants and tracks their continued professional development to maintain and development standards for the sector. The result was the launch of the Register of Sheep Advisers (RoSA) in June 2021.

b. Key performance indicators

The top three KPIs for NSA are membership numbers, the financial stability of the organisation and staff satisfaction and retention. Performance in these areas was strong in 2020, with membership remaining stable and finances being sound. After several years of growth, staff capacity has stabilised with all staff having clear job descriptions, annual appraisals and an improved, and more resilient, management structure.

NSA also considers a number of sub-KPIs.

- Relationships with breed societies remain strong, with more than 80 breed societies choosing to be affiliated to NSA in 2020.
- Attitudes to sheep in marginal areas remain varied, but NSA continues to successfully raise the profile of this, particularly within post-Brexit land management discussions.
- Numbers of registered sheep keepers and sheep numbers remain difficult to pin down, due to the way statistics are held by Defra and others, but the national flock continues to be stable, which suggests the sheep sector continues to be healthy.

c. Review of activities

As part of the continual transfer of information from all parts of the Association to the Trustees, an Activities Report is produced for each Board meeting which details all the activities, policy work, membership figures as well as governance matters from the preceding quarter. These reports are available at www.nationalsheep.org.uk/about/nsa-governance and give a much fuller picture of the day-to-day functioning of the Association than can be covered in the formal Trustees Annual Report. The information contained is up to date to the nearest end of quarter period.

d. Factors relevant to achieve objectives

This list covers some of the topics NSA has been involved in that ensured organisational objectives were achieved and performance was to a high standard throughout the year.

Achievements and performance (CONTINUED)

- Brexit negotiations were one of the most important areas in which to convey sheep industry views to appropriate bodies and the public. Continuing dialogue with Government representatives and members in all devolved nations was a main aim for the year, specifically around the special case for sheep meat within trade negotiations and the importance of the recognising the multiple outputs of sheep farming in the development of domestic agricultural, environmental and food related policy. It has been an achievement to engage regularly and effectively with policy development using the Association's vision and experience. Engagement has included, but is not limited to, a newly established Environmental Land Management Scheme (ELMS) Pathway group (to develop post Brexit environmental scheme for farmers) and the Traceability Design User Group (to ensure effective livestock movement tracing for food supply chains).
- Continuing participation in an increasingly effective and expanding coalition of livestock industry organisations to share knowledge and positions relating to Brexit has been a notable achievement, offering a point of knowledgeable support to Ministers on issues such as trade, farm support, labour and regulation. This has been via routes including the Brexit Livestock Chain Advisory Group and Farming Brexit Roundtable.
- Popular but largely uninformed promotion of agendas to reduce red meat consumption and turn areas of the countryside over to 'rewilding' has been an increasingly important area of activity for NSA. Conveying sheep industry views to appropriate bodies and the public is particularly important in these areas, sharing information around the role of red meat in healthy diets, and the integrated nature of the environment and sustainable sheep farming. NSA continues to promote the economic, social and environmental importance of sheep, particularly in the uplands, to maintain rural communities, rural businesses and environmental diversity. The Association also uses this knowledge and understanding to defend the environmental position of sheep and sheep farming in other areas. Being consulted with on the release of white tailed sea eagles on the Isle of White has been a notable achievement, as it has ensured the opinions of sheep farmers have been considered throughout the project, which has not been true of previous release programmes in other parts of the UK.
- NSA continues to explore opportunities presented by Brexit to reconsider industry regulation and where 'red tape' could potentially be removed within domestic legislation to reduce the bureaucratic burden on sheep farmers without threatening food safety or trade opportunities.
- An ongoing area of achievement for NSA is increased dialogue with the public, police forces and canine organisations to highlight the seriousness of dog attacks on sheep. This has come to the fore in 2020 due to increased dog ownership and an increased presence of dog walkers in the countryside, as one of the few activities available to the public during lockdown. Awareness raising is via social media, campaign work and involvement in forums exploring opportunities to strengthen legislation in this area.

Other than our programme of national/regional events and activities, the NSA Next Generation programme was perhaps hardest bit by Covid 19 in 2020. However, NSA has maintained activity to support young people entering the sheep sector, particularly in terms of encouraging more match making opportunities, providing mentoring information and helping young people find employment and work experience opportunities.

Two important NSA Next Generation events happened early in 2020. The NSA Samuel Wharry Memorial Award for the Next Generation awarded two £2,750 travel bursaries funded by NSA and the Company of Merchants of the Staple of England to support young people (under the age of 35) in a study trip and written report in 2019/20 to explore the application of science in sheep production. Both recipients were able to complete their travels before the international travel ban, with their findings shared extensively throughout the year. In addition to the travel bursaries, 2020 commenced with an NSA Next Generation visit to Westminster to meet MPs and Defra officials and a tour of the House of Lords. This was an important addition to the Next Generation programme, to encourage future young leaders for the industry.

The only NSA sheep event to run in 2020 was the NSA Eastern Region Winter Fair, a successful event held at Melton Mowbray Market, Leicestershire, with trade stands, competitions and a comprehensive seminar programme sharing best practice advice for farmers in the region. NSA ram sales continued under strict Covid 19 requirements in the South West and Eastern regions where the numbers of rams presented are relatively small. NSA Wales & Border Early and Main ram sales were cancelled due to the size and scale and difficulties in maintaining social distancing. Instead vendors were catalogued on the ram sale website as a service for

Achievements and performance (CONTINUED)

members and vendors and to enable the essential trade in rams for breeding to continue.

e. Fundraising activities and income generation

Covid-19 made NSA's usual fundraising activities and income generation hard in 2020. However, a record year for new members joining via the website more than offset the recruitment drives usually held at NSA events. The cancellation of events was a blow to the organisation as a whole, as NSA Sheep Events are an essential part of NSA's offering to its members and the sheep sector, as well as an important income stream. The impact on finances is described in the financial review below.

f. Investment policy and performance

The investment policy and performance is described in the Financial review below.

Financial review

a. Overview

The financial position of the NSA has remained strong throughout the year, and at year end the total reserves were £ 1,715,435 (2019 £ 1,789,703), NSA has maintained a flexible balance between investments and working capital as shown on page 20. This financial flexibility has been a key factor in NSA being able to cope with the particular challenges experienced in 2020.

Despite the loss of event income, the deficit for the year was contained to £ 70,102 (excluding gains/losses on investments), the total deficit was £ 74,268 when these are included. This is equivalent to a 4% reduction in overall funds.

NSA has a number of strong income streams, in particular from membership subscriptions, which means that the Association is not solely reliant on event income to support its activities.

This income spread is illustrated on page 19 and the supporting notes

b. Going concern

The NSA Trustees routinely discuss risks and potential risks to the Association. Both Brexit and Covid-19 had the potential to impact negatively on NSA in 2020, Brexit in the case of a potential no deal EU departure affecting sheep trade and viability, and Covid-19 potentially affecting our ability to communicate with members and attract new members at face-to-face events. Membership numbers have been closely monitored and budgets revised and reviewed at regular points through the year. Of particular note is that our membership numbers remain similar to preceding years, with new members now joining on-line and continuing to compensate for those leaving. Although a reduced income is budgeted for 2021 due to the cancellation of events, alternative ways of working with commercial companies is actively being explored as often their products help NSA in achieving its aims and objectives, and savings will be made in expenditure. Expenditure and income across the entire association is being closely monitored. Should income fall below our projections the Association has reserves which can be drawn on if required. There are additional income opportunities committed since our original budget, in the form of funded development and innovation activities (the RDPE sheep scab initiative mentioned earlier and a pan-European organic farming training programme led by a group of Turkish vets). In the absence of the 2021 Sheep Events, NSA regions are planning alternative activities for late summer and autumn. Several of these will attract sponsorship, as well as online activities such as NSA South West Region's virtual Sheep Health, Wealth and Production conferenceevent.

c. Reserves policy

The level of free reserves held by the Association at the year-end of 2020 amounted to £1,030,436 (2019 £1,036,918 as restated) of which £602,679 (2019 £473,411) was represented by cash. The majority of this is held in the account of the NSA Regions and Ram Sales and is the equivalent of approximately 11 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 subscription income, which is relatively secure. The Trustees believe that ideally the reserves in the NSA Regions and Ram Sales should be equivalent to 24 months of expenditure as this is the period between the major fundraising events where 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 is appropriate for the current work of the Association – this to include headquarters work, regional activities and ram sales. The Trustees feel that the most appropriate investment for the liquid assets of the Association is to use a deposit account to ensure accessibility.

d. Investments policy

The investment with Rathbones is on a medium risk tolerance with the performance viewed in the medium/long term, i.e., 3-5 year cycles. Rathbones has discretion to manage the portfolio based on an investment policy agreed by Trustees, and it reports quarterly to the Board. The disruption to the investment portfolio caused by the Covid-19 in 2020 was reported to the Trustees and the Finance & General Purposes Committee although there has been some recovery in the market since.

e. Principal risks and uncertainties

The Directors confirm that the major risks to which the Charity is exposed are regularly reviewed. The transfer of regional accounts to the software used at HQ has led to greater clarity in the accounts and accurate reporting to the Directors.

f. Fundraising policy

The Association was registered with the Fundraising Regulator in 2020 and complies with its voluntary regulation scheme. NSA does not use professional fundraisers and does not fundraise through public appeals. We did not receive any complaints about fundraising activities in 2020. The Association's principal funding is through membership subscriptions from people working in the sheep industry, and corporate sponsorship packages for commercial companies wanting to work with NSA. Apart from membership subscriptions, the major fundraising activities are the organisation of business to business NSA Sheep Events, the sale of advertising, and to a much lesser extent, occasional activities such as the purchase of raffle tickets at shows and events. Increasingly we are experiencing opportunities to access grant and statutory funding. This creates opportunities and allows our work to be expanded. It does create problems typical of short term project funding and needs careful management with constant advance preparation to replace project funding when it comes to an end and to work with some staff on flexible and short term contracts. All events and activities have budgets prepared in advance having regard to risks. The content and sponsors of events are chosen by committees to be appropriate to the aims of the Association. The event organisers and event committees meet regularly to review progress and budgets and there are financial controls in place to reduce the risk of fraud and financial loss. There is regular liaison and reporting between regions, ram sales and head ofice to monitor fundraising activities.

g. Principal funding

The principal funding source continues to be from subscriptions paid by members of the Association. Breed society affiliation fees, breed society exhibits at NSA sheep centres at specific shows, sponsorship and Gift Aid are all important sources of income. In addition to this, virtually all regions hold biennial regional Sheep Events where payment is received from breed societies, trade stands and sheep farmers attending the events. A national Sheep Event is also held on a biennial basis. Another source of income and service to members is the coordination of ram sales.

The legacy NSA received in 2014 and 2015 is now well established with a portfolio managed by Rathbones, as described above.

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.

Structure, governance and management

a. Constitution

During 2020 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 2015 AGM 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 £1.

b. Methods of appointment or election of Trustees

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

Mr Henry Dunn	
Mr Timothy Ward	
Mr Dan Phipps	
Mr Peter Myles	
Mr Paul Wozencraft	(Resigned 29 April 2020)
Mr David Gregory	
Mr Bryan Griffiths	(Resigned 1 February 2021)
Mr Peter Delbridge	
Mr Andrew Barr	(Resigned 18 March 2021)
Mr John Geldard	
Mr Christopher Lewis	(Resigned 13 August 2020)
Mr Llew Thomas	
Mrs Aileen McFadzean	
Mr Jonathan Farmer	
Ms Kate Hovers	(Appointed 30 April 2020)

- One Trustee as nominated by each of the six NSA English regions (six Trustees in total);
- Three Trustees as nominated by the NSA Cymru/Wales region;
- Two Trustees as nominated by the NSA Scottish region;
- One Trustee as nominated by the NSA Northern Ireland region;
- One Trustee to act as Treasurer to NSA as elected at the Annual General Meeting each year;
- One Trustee as elected by the Board of Directors to act as Chairman of the Directors (subject to the provisions of article 44).

There is a rota for retirement of Trustees and they are nominated by Regions at their annual regional members meetings. In its first year the Board of Trustee/Directors received induction training on their responsibilities and duties from material provided by Burges Salmon. As new Trustees join the Board they receive the current guidance from the Charity Commission and the printed information from Burges Salmon. The Trustee/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.

c. Organisational structure and decision-making policies

The Board of Trustee/Directors administers the Charity. During the year the Board held six meetings. Additionally, there were sub-committees covering Finance & General Purposes, and UK Policy & Technical. Each of the devolved nations has their own committee as well as regional committees in England feeding into the English Committee. A Chief Executive is appointed by the Trustee/Directors to manage day to day operations, having regard to the decisions of the Board.

Structure, governance and management (CONTINUED)

d. Management and staff in 2020

NSA headquarters remains at Malvern, although Covid-19 restrictions meant the head office was manned by a single person throughout much of 2020, with staff usually based there working from home instead. The main delivery of the policies is undertaken by the Chief Executive, supported by others. Phil Stocker continued as NSA Chief Executive and oversaw several changes in staff during the year.

Joanne Briggs (Operations Director) was on maternity leave from the end of January until mid-September, with cover provided by Louise Hart (Operations Manager) and Dave Gregory (Regional Coordinator). Louise's temporary contract came to an end at the beginning of October, while Dave continued in a self-employed role to allow transition and provide additional support to regions and ram sales as Covid-19 continued to impact usual activities. The position of Livestock Researcher was made redundant in January, due to its link with project funding that came to an end in late 2019. However, it was possible to instead provide a new position (Technical Officer) for Nicola Noble. This happened while Nicola was on maternity leave (August 2019 to May 2020), with Wendy Jones employed to cover Nicola's maternity leave in both positions until May, plus additional consultancy services provided by Liz Genever on a self-employed basis. Liz continued in this role throughout the year, widening NSA's breadth of work supporting various research and development projects.

Chris Adamson (Activities & Campaigns Officer), Nicola Noble and Wendy Jones (Technical Officer) and Katie James (Communications Officer) were placed on furlough or flexible furlough at various points during 2020, either because work was not available due to Covid-19 or because the closure of schools meant they could not do their usual hours. The cancellation of all usual events and activities led to a review of the Activities & Campaigns Officer role. The culmination of this review was that Chris Adamson moved from a full-time contract to a zero hours contract in November, allowing Chris and NSA to decide hours on a weekly/monthly basis depending on what work is required. At the same time as this review, Eleanor Phipps (Policy and Communications Officer) handed in her notice, leaving in September, leading to a slight staffing restructure.

Becky Harrison started in October as Digital Communications Officer, a new position to acknowledge increased work around websites, social media and online membership recruitment; a small amount of additional work given to Rachael Porter, who works as Sheep Farmer Content Manager on a self-employed basis; and Nicola Noble, as Policy & Technical Officer, moved from two days a week to four. Nicola's change of role was a temporary measure given that it did not provide the policy resource needed, but the decision was taken to wrap this up with maternity cover required for Nicola from March 2021.

Other staff carrying on their existing roles were: Alexandra Abbott (Assistant Bookkeeper), Gill Callow (Membership Secretary), Katie James (Communications Officer), Julie Jennings (Association Secretary), Grace Reid (Scottish Region Co-ordinator), Helen Roberts (Sponsorship/Corporate Manager and Welsh Policy Officer), Karen Sumner (Bookkeeper). Various self-employed staff work at shows, meetings and events and in the delivery of policy work around the devolved parts of the UK.

Plans for future periods

The aims and key objectives of the Association are to continue to disseminate relevant information to sheep farmers and promote greater understanding of the industry to the general public, and to organisations in a position to affect sheep farmers and sheep farming. The importance of this work and the vulnerability of sheep farming due to changing farm and rural policy continues. While our departure from the EU was met with a trade agreement, removing significant risks for sheep farmers, challenges remain due to non-tariff barriers into the EU and the early stage and slow progress in developing trade more widely. Sheep market prices are at an all-time high and the reasons for this are understood and the reasons will form a big part of NSAs work going forward. The Association is optimistic about the long-term financial viability and sustainability of sheep farming in UK and therefore for the ability of sheep farmers to stay in business, but it has become increasingly clear that success will come from farmers willingness and ability to change. In particular farmers will need support to increase productivity and to understand and access new strands of farm support. In response to this NSA is planning to launch a new company jointly owned between NSA and BASIS, RoSA, the Register of Sheep Advisors.

The plethora of rules and regulations, together with the cost of their implementation, in many cases far exceeds the satisfaction of sheep farming and this, combined with increased costs associated with the operation of a sheep farming business, continues to put financial and moral rewards under pressure. While the UK has experienced a long era of support being shifted towards environmental protection and away from productive farming and food production, the recent Covid-19 pandemic has highlighted the importance of food security and resilient food supply chains. NSA will continue to use this situation, along with ongoing environmental concerns, to make the case for truly multi-functional sheep farming that works in harmony with the environment while producing high quality and nutritious food (and wool) from mainly grass, in itself a highly desirable and beneficial crop.

There is an ongoing and healthy level of interest being shown by young people and new entrants and this needs to be backed up by ensuring the industry is viable, successful and rewarding. It remains important to defend criticism of sheep farming's impact on the natural environment and climate change, and periodic criticism of links between red meat and human health. Evidence exists showing the positive interaction between sheep farming and the environment, and the importance of red meat within recommended intakes in healthy diets, and NSA will continue to provide a voice for the sheep sector to ensure it can defend itself against unjustifiable and often inaccurate criticisms which readily attract media attention. The Trustees believe it is an essential part of the Association's work to convey positive and optimistic messages to industry, the public, and those in positions of authority, as well as raising concerns over obstacles and barriers and working to take advantage of opportunities that exist.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mr D Gregory
Treasurer
Date: 26 August 2021

Mr D Phipps
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL SHEEP ASSOCIATION

OPINION

We have audited the financial statements of National Sheep Association (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities;

The procedures undertaken in order to identify and assess risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, are as follows:

- We have considered the nature of the industry and sector, control environment and business performance;
- We have considered the results of our enquiries of management and the Chair of the Board about their own identification and assessment of the risk of irregularities
- For any matters identified we have obtained and reviewed the Charitiy's documentation of their policies and procedures relating to;
  - Identifying, evaluating and complying with laws and regulations whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
  - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team, including internal tax specialists regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Revenue recognition; and
- Accounting estimates.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the

Charities SORP (FRS 102) - Accounting and Reporting by Charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations and employment legislation.

Audit response to risks identified

As a result of performing the above procedures, we have identified revenue recognition and accounting estimates as key audit matters related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- Documenting and validating the control environment for income and debtors and carrying out walkthrough testing;
- Undertaking substantive sample-based testing or proof in total calculations on all material revenue streams to ensure revenue has been recognised appropriately and accurately;
- Considering manual income journals as part of our work on fraud risks documented above;
- Reviewing the financial statement disclosures and testing to supporting documentation;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Wood FCCA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 24th September 2021

Bishop Fleming LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
INCOME FROM:					
Donations and legacies	4	**39,154**	**12,753**	**51,907**	89,575
Charitable activities	5	**501,382**	**4,016**	**505,398**	605,490
Other trading activities	6	**34,748**	**-**	**34,748**	495,646
Investments	7	**44,714**	**-**	**44,714**	41,721
Other income	8	**27,644**	**-**	**27,644**	33,597
TOTAL INCOME		**647,642**	**16,769**	**664,411**	1,266,029
EXPENDITURE ON:					
Charitable activities	9	**717,783**	**16,730**	**734,513**	1,278,452
TOTAL EXPENDITURE		**717,783**	**16,730**	**734,513**	1,278,452
NET (EXPENDITURE)/INCOME BEFORE NET (LOSSES)/GAINS ON INVESTMENTS		**(70,141)**	**39**	**(70,102)**	(12,423)
Net (losses)/gains on investments		**(4,166)**	**-**	**(4,166)**	120,793
NET MOVEMENT IN FUNDS		**(74,307)**	**39**	**(74,268)**	108,370
RECONCILIATION OF FUNDS:					
Total funds brought forward		**1,771,097**	**18,606**	**1,789,703**	1,681,333
Net movement in funds		**(74,307)**	**39**	**(74,268)**	108,370
TOTAL FUNDS CARRIED FORWARD		**1,696,790**	**18,645**	**1,715,435**	1,789,703

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 44 form part of these financial statements.

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00037818

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	As restated 2019 £
FIXED ASSETS			
Tangible assets	14	**180,853**	187,261
Investments	16	**879,378**	905,506
Investment property	15	**350,000**	350,000
		1,410,231	1,442,767
CURRENT ASSETS			
Stocks	17	**3,147**	3,271
Debtors	18	**87,017**	115,548
Cash at bank and in hand		**602,679**	473,411
		692,843	592,230
Creditors: amounts falling due within one year	19	**(337,639)**	(245,294)
NET CURRENT ASSETS		**355,204**	346,936
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,765,435**	1,789,703
Creditors: amounts falling due after more than one year	20	**(50,000)**	-
NET ASSETS EXCLUDING PENSION ASSET		**1,715,435**	1,789,703
TOTAL NET ASSETS		**1,715,435**	1,789,703
CHARITY FUNDS			
Restricted funds	23	**18,645**	18,606
Unrestricted funds	23	**1,696,790**	1,771,097
TOTAL FUNDS		**1,715,435**	1,789,703

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mr D Gregory
Treasurer
Date: 26/8/21

Mr D Phipps
Chair

The notes on pages 23 to 44 form part of these financial statements.

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	As restated 2019 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	**101,038**	98,645
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interests and rents from investments	**(44,714)**	(41,271)
Purchase of tangible fixed assets	**(3,185)**	(12,426)
Proceeds from sale of investments	**77,182**	19,413
Purchase of investments	**(55,219)**	(13,901)
Revaluation of investments	**4,166**	(120,793)
NET CASH USED IN INVESTING ACTIVITIES	**(21,770)**	**(168,978)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflows from new borrowing	**50,000**	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	**50,000**	-
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	**129,268**	**(70,333)**
Cash and cash equivalents at the beginning of the year	**473,411**	543,744
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**602,679**	473,411

The notes on pages 23 to 44 form part of these financial statements

1. GENERAL INFORMATION

National Sheep Association is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is The Sheep Centre, Blackmore Park Road, Malvern, Worcetershire, WR13 6PH.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

National Sheep Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetrary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investments properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

2.2 GOING CONCERN

In light of the current coronavirus pandemic, the trustees have reviewed likely future developments and remain of the opinion that there is no reason to believe that the charity will have to cease operating as a result of inadequate financial resources, or any other forseeable event, within a period of 12 months from the date of the approval of these accounts.

2.3 INCOME

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £200 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a reducing balance basis and on a straight line basis.

Depreciation is provided on the following bases:

Land and Building	- 2% on Cost / 5% Reducing balance
Motor vehicles	- 25% Reducing balance
Fixtures and fittings	- 10-25% on Cost / 20-25% Reducing balance

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

2. ACCOUNTING POLICIES (continued)

2.6 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investment property, which is property held to earn rentals and/or capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditue) for the year. No depreciation is charged on investment property.

Although this accounting policy is in accordance with FRS102 section 16, the lack of depreciation is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the trustees, compliance with the standard is necessary for the financial statements to give a true and fair view and in all other respects the Charity has complied with the Act. As a result, the value of investment property in the balance sheet is higher, and the depreciation charge in the statement of financial activities lower than they would be under the requirements of the Act.

2.7 STOCKS

Stocks are stated at the lower cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

2.8 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2. ACCOUNTING POLICIES (continued)

2.11 FINANCIAL INSTRUMENTS

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.13 PENSIONS

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2.14 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Estimated useful lives of tangible fixed assets
In determining the estimated useful life the Charity considers the expected physical wear and tear of the asset that could lead to obsolecence of the asset. Each year the Charity reviews the above to establish if there is any change in the expected useful life of tangible assets.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Investment property valuation
The investment property is held at fair value and the orignal valuation was carried out on 25 June 2015 by Charles Knowles, a RICS registered firm. It was arrived at by reviewing the market for transaction prices for similar properties. Each year the Charity reviews this valuation, to determine whether they still considered this to be accurate at the year end.

Deferred subscription income
Annual membership renewals occur throughout the year, so when the charity receives member's subscription income in the current year, some of this may relate to the following year. This part is treated as deferred income in the current accounting period and will be recognised in the statement of Financial Activities in the following accouting period.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Donations	39,154	-	**39,154**	40,902
Grants	-	-	**-**	48,673
Government grants	-	12,753	**12,753**	-
	39,154	12,753	**51,907**	89,575
TOTAL 2019 AS RESTATED	40,902	48,673	89,575	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Ram Sales	9,356	-	**9,356**	127,240
Sheep Farmer Advertising	101,217	-	**101,217**	97,110
Other Charitable Income	40,023	4,016	**44,039**	17,542
Sustainable Control of Parasites in Sheep	3,425	-	**3,425**	-
Membership Services	347,361	-	**347,361**	363,598
	501,382	4,016	**505,398**	605,490
TOTAL 2019 AS RESTATED	605,490	-	605,490	

Membership income was previously disclosed within Donations but has now been disclosed in Charitable Activities, due to the nature of the activity, the comparatives have been amended for consistency.

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Fundraising events	34,748	**34,748**	495,646
TOTAL 2019	495,646	495,646	

7. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Rental income	20,515	**20,515**	19,936
Investment income	23,776	**23,776**	20,609
Interest receivable	423	**423**	1,176
	44,714	**44,714**	41,721
TOTAL 2019	41,721	41,721	

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Other income	5,446	**5,446**	15,310
Promotional items	433	**433**	367
P & O Transport	21,765	**21,765**	17,920
	27,644	**27,644**	33,597
TOTAL 2019 AS RESTATED	33,597	33,597	

8. OTHER INCOMING RESOURCES (CONTINUED)

P & O transport expenditure was previously net off against income but has now been disclosed in Charitable Activities, due to the nature of the activity, the comparatives have been amended for consistency.

9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Breeding Improvement Other Costs	25,330	-	**25,330**	98,313
Membership Services and Enquiries	89,485	-	**89,485**	96,552
Education and Promotion Other Costs	480,153	16,730	**496,883**	598,314
Fundraising Costs	122,815	-	**122,815**	485,273
	717,783	16,730	**734,513**	1,278,452
TOTAL 2019	1,200,206	78,246	1,278,452	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Breeding Improvement Other Costs	25,330	-	**25,330**	98,313
Membership Services and Enquiries	4,249	85,236	**89,485**	96,552
Education and Promotion Other Costs	177,650	319,233	**496,883**	598,314
Fundraising Costs	27,551	95,264	**122,815**	485,273
	234,780	499,733	**734,513**	1,278,452
TOTAL 2019	699,282	579,170	1,278,452	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Breeding Improvement Other Costs 2020 £	Membership Services and Enquiries 2020 £	Education and Promotion Other Costs 2020 £	Fundraising Costs 2020 £	Total funds 2020 £	Total funds 2019 £
SCOPS	-	-	2,217	-	**2,217**	1,680
iSage	-	-	2,028	-	**2,028**	3,977
Sheep Farmer costs	-	-	72,262	-	**72,262**	63,023
Design and Printing	-	-	15,751	-	**15,751**	11,247
Next Generation Ambassadors	-	-	3,997	-	**3,997**	14,104
Branding and Merchandise	-	-	2,859	-	**2,859**	-
Moredun Initiative	-	-	10,000	-	**10,000**	10,000
DBEIS Grant Expenditure	-	-	10,066	-	**10,066**	12,863
Regional Secretaries & Officers fees	-	-	55,018	-	**55,018**	62,230
Membership Promotion	-	4,249	-	-	**4,249**	1,387
Ram sale expenses	864	-	-	-	**864**	109,524
Storage of Semen	7,128	-	-	-	**7,128**	8,217
P & O Expenditure	17,338	-	-	-	**17,338**	14,710
Room Hire & Refreshments	-	-	-	-	-	26,945
Ram Longevity	-	-	-	-	-	7,264
Subscriptions for other bodies	-	-	3,092	-	**3,092**	3,821
Awards and Donations	-	-	360	-	**360**	5,928
Costs of generating funds	-	-	-	27,551	**27,551**	342,362
	25,330	4,249	177,650	27,551	**234,780**	699,282
TOTAL 2019	98,313	-	232,686	342,362	699,282	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Membership Services and Enquiries 2020 £	Education and Promotion Other Costs 2020 £	Fundraising Costs 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	65,459	187,733	73,161	**326,353**	315,374
Depreciation	1,654	6,222	1,848	**9,724**	9,796
Printng, Photocopying, Postage & Stationery	2,058	7,746	2,299	**12,103**	27,579
General office expenses	1,053	2,776	1,177	**5,006**	8,988
Telephone, Computer & Website	4,698	17,688	5,251	**27,637**	26,339
Travelling expenses & Subsistences	3,359	13,474	3,755	**20,588**	45,311
Rates, Utilities & Insurance	3,147	11,847	3,517	**18,511**	20,803
Property Repairs	367	1,380	410	**2,157**	25,730
Legal & Professional	288	1,083	321	**1,692**	12,497
Accountancy	2,107	7,933	2,355	**12,395**	8,098
Bank Charges	445	1,677	498	**2,620**	3,832
Bad Debts	601	2,263	672	**3,536**	169
Governance - Audit Fees	-	10,075	-	**10,075**	6,500
Governance - Salaries	-	46,207	-	**46,207**	68,154
Board and AGM Meeting Costs	-	1,129	-	**1,129**	-
	85,236	319,233	95,264	**499,733**	579,170
TOTAL 2019	96,552	339,707	142,911	579,170	

11. AUDITORS' REMUNERATION

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**10,075**	6,500

12. STAFF COSTS

	2020 £	2019 £
Wages and salaries	**281,210**	267,589
Social security costs	**17,397**	25,292
Contribution to defined contribution pension schemes	**27,746**	22,493
Wages and salaries included within governance	**46,207**	68,154
	372,560	383,528

The average number of persons employed by the Company during the year was as follows:

	2020 No.	2019 No.
Employees	**13**	11

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

	2020 No.	2019 No.
Regional Secretaries and Officers	**8**	11
Ram Sales Secretaries and Officers	**1**	5
Regional Event Managers	**1**	6
	10	22

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. The following payments to these officers were made:

	2020 £	2019 £
Regional Secretaries	30,945	33,077
Ram Sales Managers	25,500	28,600
Regional Events Managers	9,000	35,000

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £70,001 - £80,000	**1**	1

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year, one or more Trustees has been paid remuneration or has received other benefits from an employment with the Company. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
Mr D Gregory	Other benefits	**10,200**	-

During the year ended 31 December 2020, expenses totalling £1,151 were reimbursed or paid directly to 6, Trustees (2019 - £7,175 to 13 Trustees).

14. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION				
At 1 January 2020	**247,517**	**9,430**	**105,484**	**362,431**
Additions	-	-	**3,185**	**3,185**
At 31 December 2020	**247,517**	**9,430**	**108,669**	**365,616**
DEPRECIATION				
At 1 January 2020	**85,803**	**9,151**	**80,216**	**175,170**
Charge for the year	**3,421**	**70**	**6,102**	**9,593**
At 31 December 2020	**89,224**	**9,221**	**86,318**	**184,763**
NET BOOK VALUE				
At 31 December 2020	**158,293**	**209**	**22,351**	**180,853**
At 31 December 2019	161,714	279	25,268	187,261

15. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2020	**350,000**
At 31 December 2020	**350,000**

The fair value of the investment property brought forward had been arrived at on the basis of a valuation carried out on 25 June 2015 by Charles Knowles, a RICS registered firm, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. Each year the charity reviews this valuation, to determine whether they still considered this to be accurate at the year end and from a review of similar property prices in the area, in 2018 there was a £30k increase in the directors' opinion. The directors believe that there is no movement in the valuation for the year ended 31 December 2020.

16. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Total £
COST OR VALUATION			
At 1 January 2020	**635,489**	**270,018**	**905,507**
Additions	**55,219**	**-**	**55,219**
Disposals	**(57,182)**	**(20,000)**	**(77,182)**
Revaluations	**(20,358)**	**16,192**	**(4,166)**
AT 31 DECEMBER 2020	**613,168**	**266,210**	**879,378**
NET BOOK VALUE			
AT 31 DECEMBER 2020	**613,168**	**266,210**	**879,378**
AT 31 DECEMBER 2019	635,489	270,018	905,507

17. STOCKS

	2020 £	2019 £
Finished goods and goods for resale	**3,147**	3,271

18. DEBTORS

	2020 £	2019 £
DUE WITHIN ONE YEAR		
Trade debtors	**47,448**	54,061
Other debtors	**20,375**	17,943
Prepayments and accrued income	**15,862**	31,830
Gift Aid recoverable	**3,332**	11,714
	87,017	115,548

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	**64,596**	63,404
Other taxation and social security	**7,414**	-
Other creditors	**26,807**	17,061
Accruals and deferred income	**238,822**	164,829
	337,639	245,294

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Bank loans	**50,000**	-

Included within the above are amounts falling due as follows:

BETWEEN TWO AND FIVE YEARS		
Bank loans	**30,000**	-
OVER FIVE YEARS		
Bank loans	**20,000**	-

21. FINANCIAL INSTRUMENTS

	2020 £	2019 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	**602,679**	473,411

Financial assets measured at fair value through income and expenditure comprise of cash at bank or in hand.

22. PRIOR YEAR ADJUSTMENTS

A prior year adjustment was made in respect of a fund held on behalf of another society being previously held as trust funds. This balance has been reclassified to be held as a creditor to reflect the balance held on behalf of the third party, which has also resulted in an adjustment to the opening funds position of £15,269.

23. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Central Region	**23,578**	**-**	**(2,255)**	**(1,800)**	**-**	**19,523**
Cymru Region	**230,189**	**13,779**	**(11,352)**	**(1,800)**	**8,662**	**239,478**
Eastern Region	**33,091**	**12,644**	**(8,885)**	**(1,800)**	**-**	**35,050**
Marches Region	**14,840**	**-**	**(3,365)**	**(1,050)**	**-**	**10,425**
Northern Region	**83,680**	**62**	**(7,847)**	**(1,800)**	**-**	**74,095**
Northern Ireland Region	**46,256**	**279**	**(9,366)**	**4,200**	**-**	**41,369**
Scottish Region	**19,250**	**2,817**	**(19,784)**	**(1,800)**	**-**	**483**
South East Region	**321**	**1,437**	**(1,758)**	**-**	**-**	**-**
South West Region	**23,911**	**37**	**(5,926)**	**(1,800)**	**-**	**16,222**
South West Ram Sales	**76,307**	**2,737**	**(2,238)**	**(1,800)**	**(659)**	**74,347**
Wales & Border Ram Sales	**182,756**	**13,205**	**(32,096)**	**(500)**	**7,530**	**170,895**
	734,179	**46,997**	**(104,872)**	**(9,950)**	**15,533**	**681,887**

23. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
GENERAL FUNDS						
General Funds	1,036,918	600,645	(612,911)	9,950	(19,699)	1,014,903
TOTAL UNRESTRICTED FUNDS	1,771,097	647,642	(717,783)	-	(4,166)	1,696,790

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
RESTRICTED FUNDS						
British Heritage Sheep	8,825	1,000	(1,949)	-	-	7,876
Echinococcus Parasite in Farm Dogs	899	-	-	-	-	899
Lameness Study	1,219	-	-	-	-	1,219
DBEIS	7,663	-	-	-	-	7,663
iSage	-	3,016	(2,028)	-	-	988
Job Retention Scheme Grants	-	12,753	(12,753)	-	-	-
	18,606	16,769	(16,730)	-	-	18,645
TOTAL OF FUNDS	1,789,703	664,411	(734,513)	-	(4,166)	1,715,435

23. STATEMENT OF FUNDS (CONTINUED)

British Heritage Sheep Project
This project was grant funded by "The Prince's Countryside Fund" and supports a feasibility study to address the key threats to our native sheep breeds, by helping develop a diversified sheepmeat market from the single "Standard Lamb", adding value for farmer-based outlets, and linking sheepmeat, landscape and culture.

iSAGE
The project began in March 2016 and ran for 4 years. The project aimed to "improve the overall sustainability and innovative capicity of the sheep and goat sector in Europe by:

-Enhancing the efficiency and profitability of the sector
-Meeting the needs of consumers
-Increasing the social acceptance and improving the deivery of ecosystem services"

The idea is to involve as many stakeholders in the supply chain as possible, from the farmers to the processors, retailers and consumers.

One of the intended outcomes of the project is is the public goods (PG) tool for assesing sustainability on farms. Using existing information covering environmental, economic and social factors, the results should should give immediate feedback to the farmer on areas where performance is currently good and areas where further development is needed.

Investigations into the Distributions of Echinococcus Parasite in Farm Dogs
Echinococcus is a disease hosted by tapeworms in dogs, sheep and cattle and is a serious danger to humans who come into conact with it via grass/soil/droppings. NSA agreed to support work done by Liverpool University to better understand the prevalence of the disease by engaging with our members and surveying them. This work is core to the NSAs charitable objectives relating to promoting health in sheep.

Lameness Study
Lameness in sheep is a serious condition that affects the welfare and productivity capability of flocks. NSA was asked by Warwick University to support its work in identifying the prevalene of lameness conditions, attitudes to it being a serious problem, and the various ways that farmers aim to deal with it. This work has contributed to an increase in farmer awareness of the impact of lameness in sheep flocks and has also contributed to a signidicant change in attitudes to the problem. This work has contributed significantly to industry ambitions to reduce lameness in the national flock and is in line with the NSAs charitable objectives to promote health in sheep.

DBEIS Grant
In preparation for a potential UK departure from the eU at the end of October 2019 the UK Governments's Department for Business, Energy and Industrial Strategy invited applications for grant funding from industry bodies in order to prepare businesses for a 'no-deal' exit from the EU. NSA were successful in applying for funding of £27,700 which allowed us to produce a Brexit Toolkit. The toolkit consisted of written leaflets and case studies, fuller case studies available on the NSA web site, and pod casts from experts and practitioners who had experience of doing some of the things recommended in the material produced.

23. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance as restated at 1 January 2019 £	As restated Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance as restated at 31 December 2019 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Central Region	23,298	12,808	(10,728)	(1,800)	-	23,578
Cymru Region	148,740	120,271	(58,407)	(1,800)	21,385	230,189
Eastern Region	28,380	11,482	(4,971)	(1,800)	-	33,091
Marches Region	19,669	275	(3,304)	(1,800)	-	14,840
Northern Region	54,001	140,642	(109,163)	(1,800)	-	83,680
Northern Ireland Region	38,426	33,262	(29,382)	3,950	-	46,256
Scottish Region	31,360	101,181	(113,491)	200	-	19,250
South East Region	5,327	5,586	(8,792)	(1,800)	-	321
South West Region	5,949	76,145	(56,883)	(1,300)	-	23,911
South West Ram Sales	62,877	10,431	(3,584)	(500)	7,083	76,307
Wales & Border Ram Sales	160,830	151,492	(148,140)	(1,000)	19,574	182,756
	578,857	663,575	(546,845)	(9,450)	48,042	734,179

	Balance as restated at 1 January 2019 £	As restated Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance as restated at 31 December 2019 £
GENERAL FUNDS						
General Funds - all funds	1,031,159	539,071	(625,788)	19,725	72,751	1,036,918
TOTAL UNRESTRICTED FUNDS	1,610,016	1,202,646	(1,172,633)	10,275	120,793	1,771,097

23. STATEMENT OF FUNDS (CONTINUED)

	Balance as restated at 1 January 2019 £	As restated Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance as restated at 31 December 2019 £
RESTRICTED FUNDS						
British Heritage Sheep	13,796	2,293	(7,264)	-	-	8,825
Echinococcus Parasite in Farm Dogs	-	1,174	(275)	-	-	899
Lameness Study	-	1,432	(213)	-	-	1,219
DBEIS	-	27,700	(20,037)	-	-	7,663
Welsh Commons Forum	10,275	-	-	(10,275)	-	-
iSage	47,246	16,074	(63,320)	-	-	-
	71,317	48,673	(91,109)	(10,275)	-	18,606
TOTAL OF FUNDS	1,681,333	1,251,319	(1,263,742)	-	120,793	1,789,703

24. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance as restated at 1 January 2020 £	**Income £**	**Expenditure £**	**Transfers in/out £**	**Gains/ (Losses) £**	**Balance at 31 December 2020 £**
Designated funds	**734,179**	**46,997**	**(104,872)**	**(9,950)**	**15,533**	**681,887**
General funds	**1,036,918**	**600,645**	**(612,911)**	**9,950**	**(19,699)**	**1,014,903**
Restricted funds	**18,606**	**16,769**	**(16,730)**	**-**	**-**	**18,645**
	1,789,703	**664,411**	**(734,513)**	**-**	**(4,166)**	**1,715,435**

24. SUMMARY OF FUNDS (CONTINUED)

SUMMARY OF FUNDS - PRIOR YEAR

	Balance as restated at 1 January 2019 £	As restated Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds	578,857	663,575	(546,845)	(9,450)	48,042	734,179
General funds	1,031,159	539,071	(625,788)	19,725	72,751	1,036,918
Restricted funds	71,317	48,673	(91,109)	(10,275)	-	18,606
	1,681,333	1,251,319	(1,263,742)	-	120,793	1,789,703

25. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	180,853	-	**180,853**
Fixed asset investments	879,378	-	**879,378**
Investment property	350,000	-	**350,000**
Current assets	653,463	39,380	**692,843**
Creditors due within one year	(316,904)	(20,735)	**(337,639)**
Creditors due in more than one year	(50,000)	-	**(50,000)**
TOTAL	1,696,790	18,645	**1,715,435**

25. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	187,261	-	187,261
Fixed asset investments	905,506	-	905,506
Investment property	350,000	-	350,000
Current assets	558,355	33,875	592,230
Creditors due within one year	(230,025)	(15,269)	(245,294)
TOTAL	1,771,097	18,606	1,789,703

26. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	As restated 2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	**(74,268)**	108,370
ADJUSTMENTS FOR:		
Depreciation charges	**9,593**	9,796
Dividends, interests and rents from investments	**44,714**	41,271
Decrease/(increase) in stocks	**124**	(1,313)
Decrease/(increase) in debtors	**28,531**	(10,541)
Increase/(decrease) in creditors	**92,344**	(48,938)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**101,038**	98,645

27. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	**602,679**	473,411
TOTAL CASH AND CASH EQUIVALENTS	**602,679**	473,411

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2020	Cash flows	At 31 December 2020
	£	£	£
Cash at bank and in hand	473,411	129,268	602,679
Debt due after 1 year	-	(50,000)	(50,000)
	473,411	79,268	552,679

29. PENSION COMMITMENTS

The Charitable Company makes contributions, as part of an employee's conract of employment, which are payable to defined contribution schemes chosen by the employer. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £27,746 (2019: £24,493). Contributions totaling £2,860 (2019: £NIL) were payable to the fund at the Balance Sheet date and are included in creditors.

30. OPERATING LEASE COMMITMENTS

At 31 December 2020 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	6,399	14,708
Later than 1 year and not later than 5 years	1,116	7,406
Later than 5 years	-	1,209
	7,515	23,323

31. RELATED PARTY TRANSACTIONS

During the year £35,765 (2019: £34,138) was paid to companies with directors in common control. At the year end £14,688 (2019: £22,074) was due to these companies.

During the year a salary of £17,485 (2019: £Nil) was paid to a direct family member of a trustee.

During the year payments of £10,200 (2019: £Nil) were made to a trustee for consultancy services.

The above transactions represent payments made under normal market conditions for goods, services and related expenses.