

COMPANY REGISTRATION NUMBER: 00035585
CHARITY REGISTRATION NUMBER: 266713

The Southdown Sheep Society
Company Limited by Guarantee
Unaudited financial statements
31 December 2021

The Southdown Sheep Society

Company Limited by Guarantee

Financial statements

Year ended 31 December 2021

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The Southdown Sheep Society

Company Limited by Guarantee

Members' annual report (incorporating the directors' report)

Year ended 31 December 2021

The members, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Companies Act 2006 and 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 published in October 2019.

Reference and administrative details

Registered charity name The Southdown Sheep Society

Charity registration number 266713

Company registration number 00035585

Principal office and registered office Meens Farm
Capps Lane
All Saints
Halesworth
Suffolk
IP19 0PD

President: Duncan Crundwell
President Elect: Sarah Mitchell

Members of Council

Chairman of Council: Jonathan Long
Vice Chairman: Howard Wood
Honorary Treasurer: Neil Stainthorpe

Other Members Brian Alderson
Rob Beaumont
Sidney Cook
Lindsay Dane
Patrick Goldsworthy MBE
Edward Harmer
Justin Harmer
Paul Humphrey
Stephen Humphrey
Tim Morris
Miriam Parker
Michael Sprake
Les Newman

Company secretary Mrs G Sprake

Independent examiner Mr M C Waters FCCA
Lovewell Blake LLP
Chartered accountants
The Wherry
Quay Street
Halesworth
Suffolk
IP19 8ET

The Southdown Sheep Society

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Members' annual report (incorporating the directors' report) *(continued)*

Year ended 31 December 2021

Objectives and activities

a. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

The Council has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Council consider how planned activities will contribute to the aims and objectives they have set.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

a. REVIEW OF ACTIVITIES

The Southdown Sheep Society has engaged in activities during 2021 in order to promote the breed and encourage and increase membership and the registration of breeding sheep. The Society's Premier Sale was held at Worcester, with a further sale at Melton Mowbray and the Society's AGM was held in Wales in September.

During 2021 the Society incurred significant legal fees while dealing with legal action brought against the Society by two members of the Society.

At all times the trustees' acted in the Society's best interests in this matter and a significant proportion of these costs have been reimbursed by the Society's insurers. This reimbursement will be reflected in the 2022 accounts.

b. INVESTMENT POLICY AND PERFORMANCE

The Council has considered the most appropriate policy for investing funds and has found that CCLA Investment Management Ltd COIF Charity Funds and Cambridge and Counties Bank meet their requirements to general income.

Financial review

a. RESERVES POLICY

The Council has established a policy to maintain unrestricted funds which are free reserves of the charity at a level which equates to approximately twenty four months unrestricted expenditure. This provides sufficient funds to cover management administration and support costs.

The balance held as unrestricted at 31 December 2021 was £49,070, of which £48,965 are regarded as free reserves, after allowing for funds tied up in tangible fixed assets. The Council consider that sufficient unrestricted resources are held.

The Southdown Sheep Society

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Members' annual report (incorporating the directors' report) *(continued)*

Year ended 31 December 2021

Plans for future periods

a. FUTURE DEVELOPMENTS

The Society plans to continue the activities as authorised above in the forthcoming years subject to satisfactory funding arrangements. The last two years have seen significant disruption to the Society's activities due to the Covid-19 pandemic. Hopefully the worst of this is now behind us and the Society is envisaging a return to more normal operating conditions during 2022 and beyond.

The Council continues to review income and expenditure to ensure it meets the needs and expectations of the membership.

Structure, governance and management

a. CONSTITUTION

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 6 January 1892.

The purpose of the company is to encourage the breeding of Southdown Sheep and the maintenance of the purity of the breed and to this purpose the compilation and publication of a flock book and the arrangement of shows and classes for which prizes may be donated or augmented.

The obligations of the members are to pay the Society an annual subscription according to the scale determined by the Council.

There have been no changes in the charitable purposes since the last annual report.

b. METHOD OF APPOINTMENT OR ELECTION OF COUNCIL MEMBERS

The Society is managed on a daily basis by Mrs Gail Sprake.

The management of the company is the responsibility of the Council members who are elected and co-opted under the terms of the Articles of Association, as amended on 10 August 2013.

The members' annual report and the strategic report were approved on and signed on behalf of the board of trustees by:

.....
Mr Jonathan Long
Chairman

The Southdown Sheep Society

Company Limited by Guarantee

Independent examiner's report to the members of The Southdown Sheep Society

Year ended 31 December 2021

I report to the charity members on my examination of the financial statements of the company for the year ended 31 December 2021 which comprise the statement of financial activities (including income and expenditure account), balance sheet and the related notes.

Responsibilities and basis of report

As the charity's members (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Mr M C Waters FCCA
Independent Examiner

Lovewell Blake LLP
Chartered accountants
The Wherry
Quay Street
Halesworth
Suffolk
IP19 8ET

The Southdown Sheep Society

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

Year ended 31 December 2021

		2021		2020
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	5	2,478	2,478	1,841
Charitable activities	6	27,459	27,459	29,245
Other trading activities	7	192	192	186
Investment income	8	495	495	708
Total income		<u>30,624</u>	<u>30,624</u>	<u>31,980</u>
Expenditure				
Expenditure on charitable activities	9	42,234	42,234	21,506
Other expenditure	10	3,853	3,853	2,681
Total expenditure		<u>46,087</u>	<u>46,087</u>	<u>24,187</u>
Net (expenditure)/income and net movement in funds		<u>(15,463)</u>	<u>(15,463)</u>	<u>7,793</u>
Reconciliation of funds				
Total funds brought forward		64,533	64,533	56,740
Total funds carried forward		<u>49,070</u>	<u>49,070</u>	<u>64,533</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 8 to 14 form part of these financial statements.

The Southdown Sheep Society

Company Limited by Guarantee

Balance sheet

31 December 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Tangible fixed assets	13		105		141
Current assets					
Stocks	14	225		225	
Debtors	15	4,723		1,870	
Cash at bank and in hand		49,798		67,463	
		54,746		69,558	
Creditors: Amounts falling due within one year	16	(5,781)		(5,166)	
Net current assets			48,965		64,392
Total assets less current liabilities			49,070		64,533
Net assets			49,070		64,533
Funds of the charity					
Unrestricted funds			49,070		64,533
Total charity funds	17		49,070		64,533

For the year ending 31 December 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on, and are signed on behalf of the board by:

.....
Mr Jonathan Long
Chairman

.....
Mr Neil Stainthorpe
Honorary Treasurer

Company registration number: 00035585

The notes on pages 8 to 14 form part of these financial statements.

The Southdown Sheep Society

Company Limited by Guarantee

Notes to the financial statements

Year ended 31 December 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Meens Farm, Capps Lane, All Saints, Halesworth, Suffolk, IP19 0PD.

2. Statement of compliance

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the members for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

The Southdown Sheep Society

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Notes to the financial statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.
- income from investments by way of bank interest is recognised based on the period the interest accrues in.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

The Southdown Sheep Society

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Notes to the financial statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	25% reducing balance
Fixtures and fittings	-	25% reducing balance

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

4. Limited by guarantee

The company is limited by guarantee whereby the members of the company guarantee the liabilities of the company to the extent of £1 per member.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	12	12	202	202
Gift Aid reclaimable	2,466	2,466	1,639	1,639
	<u>2,478</u>	<u>2,478</u>	<u>1,841</u>	<u>1,841</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Subscriptions	12,651	12,651	13,303	13,303
Registrations	12,789	12,789	14,021	14,021
Publications	1,153	1,153	1,589	1,589
Flock competition	350	350	50	50
Sales levy	331	331	282	282
Field day raffle	185	185	—	—
	<u>27,459</u>	<u>27,459</u>	<u>29,245</u>	<u>29,245</u>

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Notes to the financial statements *(continued)*

Year ended 31 December 2021

6. Charitable activities *(continued)*

Income from registrations

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Ram entries	3,528	3,528	3,789	3,789
Ewe entries	6,131	6,131	6,934	6,934
Late ram entries	340	340	400	400
Late ewe entries	2,674	2,674	2,400	2,400
Import registration	—	—	175	175
Export levy	—	—	116	116
Pedigree certificates and charges	116	116	207	207
	<u>12,789</u>	<u>12,789</u>	<u>14,021</u>	<u>14,021</u>

7. Other trading activities

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Merchandise sales	<u>192</u>	<u>192</u>	<u>186</u>	<u>186</u>

8. Investment income

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Bank interest receivable	494	494	706	706
Gift aid repayment interest	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>
	<u>495</u>	<u>495</u>	<u>708</u>	<u>708</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Total funds 2021	Total fund 2020
	£	£	£
Competition expenses	233	233	—
Merchandise	103	103	162
Show and field day expenses	438	438	169
Flock book printing	2,200	2,200	2,360
Year book	1,137	1,137	1,330
Newsletter	1,100	1,100	900
Postage	1,940	1,940	1,958
Printing and stationery	309	309	775
Veterinary fees	338	338	186
Website and advertising expenses	2,294	2,294	2,708
Motor and travel expenses	401	401	195
Legal and professional fees	22,741	22,741	1,763
Secretary's fees	9,000	9,000	9,000
	<u>42,234</u>	<u>42,234</u>	<u>21,506</u>

The Southdown Sheep Society

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Notes to the financial statements *(continued)*

Year ended 31 December 2021

10. Other expenditure

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Communication and IT costs	1,455	1,455	574	574
Depreciation	36	36	47	47
Insurance	872	872	843	843
Cost of council meetings	253	253	60	60
Sundry	11	11	13	13
Subscriptions	140	140	40	40
Independent examination fees	1,086	1,086	1,104	1,104
	<u>3,853</u>	<u>3,853</u>	<u>2,681</u>	<u>2,681</u>

11. Staff costs

No employee received employee benefits of more than £60,000 during the year (2020: £NIL).

12. Trustee remuneration and expenses

No salaries or expenses were provided to society members during the year.

13. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 January 2021 and 31 December 2021	<u>1,126</u>	<u>1,800</u>	<u>2,926</u>
Depreciation			
At 1 January 2021	1,120	1,665	2,785
Charge for the year	2	34	36
At 31 December 2021	<u>1,122</u>	<u>1,699</u>	<u>2,821</u>
Carrying amount			
At 31 December 2021	<u>4</u>	<u>101</u>	<u>105</u>
At 31 December 2020	<u>6</u>	<u>135</u>	<u>141</u>

The Southdown Sheep Society

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Notes to the financial statements *(continued)*

Year ended 31 December 2021

14. Stocks

	2021	2020
	£	£
Raw materials and consumables	225	225

15. Debtors

	2021	2020
	£	£
Trade debtors	4,723	1,870

16. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	104	110
Accruals and deferred income	5,677	5,056
	<u>5,781</u>	<u>5,166</u>

17. Analysis of charitable funds

Unrestricted funds

	At 1 January 2021	Income	Expenditure	At 31 December 2021
	£	£	£	£
General funds	64,533	30,624	(46,087)	49,070

	At 1 January 2020	Income	Expenditure	At 31 December 2020
	£	£	£	£
General funds	56,740	31,980	(24,187)	64,533

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Notes to the financial statements *(continued)*

Year ended 31 December 2021

18. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	105	105
Current assets	48,965	48,965
Net assets	<u>49,070</u>	<u>49,070</u>

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	141	141
Current assets	64,392	64,392
Net assets	<u>64,533</u>	<u>64,533</u>