

Registered number: 00037818  
Charity numbers: 249255 (England and Wales) and SC042853 (Scotland)

**NATIONAL SHEEP ASSOCIATION**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**



---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**CONTENTS**

---

	Page
<b>Reference and Administrative Details of the Charity, its Trustees and Advisers</b>	1 - 2
<b>Chairman's Statement</b>	3 - 4
<b>Trustees' Report</b>	5 - 14
<b>Independent Auditors' Report</b>	15 - 16
<b>Statement of Financial Activities</b>	17 - 18
<b>Income and Expenditure Account</b>	18
<b>Statement of Total Recognised Gains and Losses</b>	19
<b>Balance Sheet</b>	20 - 21
<b>Notes to the Financial Statements</b>	22 - 41

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

**Trustees**

Mr John Geldard, Chair (resigned 25 February 2015)  
Mr Samuel Wharry, Chair  
Mr David Croston, Honorary Treasurer (resigned 14 August 2014)  
Mr David Gregory, Honorary Treasurer (appointed 28 August 2014)  
Mr Andrew Barr, South East Region (appointed 14 January 2015)  
Mr Robert Blanden, South East Region (resigned 14 January 2015)  
Mr John Blaney, Northern Ireland Region (appointed 10 April 2015)  
Mr Michael Credland, Marches Region  
Mrs Margaret Dalton, Cymru Wales Region  
Mr Andrew Foulds, Eastern Region  
Mr Robert Jordan, South West Region (resigned 19 February 2014)  
Mr Bryan Griffiths, South West Region (appointed 28 April 2014)  
Mrs Sybil MacPherson, Scottish Region  
Mr Neale McQuistin, Scottish Region  
Mr Robert Payne, Central Region  
Mr David Pittendreigh, Cymru Wales Region (resigned 18 February 2014)  
Mr Timothy Ward, Cymru Wales Region  
Mr Adam Watson, Northern Region  
Mr Paul Wozencraft, Cymru Wales Region (appointed 18 February 2014)

Honorary President - The Duke of Montrose

**Company registered number**

00037818

**Charity registered numbers**

249255 (England and Wales) and SC042853 (Scotland)

**Registered office**

The Sheep Centre  
Blackmore Park Road  
Malvern  
Worcestershire  
WR13 6PH

**Chief executive officer**

Mr Philip Stocker

**Independent auditors**

Old Mill Audit LLP  
Chartered Accountants and Statutory Auditor  
Wessex House  
Challemead Business Park  
Melksham  
Wiltshire  
SN12 8BU

**Bankers**

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

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

**Administrative details (continued)**

<b>Solicitors</b>	Burges Salmon 1 Glass Wharf Bristol BS2 0ZX
	DF Legal 1 North Place Cheltenham GL50 4DW
<b>Investment advisors</b>	Speirs & Jeffrey George House 50 George Square Glasgow G2 1EH

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**CHIEF EXECUTIVE OFFICER'S STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

The chief executive officer presents his statement for the year.

2014 saw the further embedding of the NSA's new structures with the required rotational appointment of Trustees. All the related NSA committees functioned well and supported the responsibilities of the NSA Board at the same time as supporting the work carried out by NSA staff and the many volunteers who help deliver the association's activities. The structure of the NSA with 9 regional committees plus ram sales committees, along with 82 affiliated sheep breed societies, results in substantial grass roots involvement and a strongly practical approach to our work – something appreciated by NSA members. In an effort to ensure greater consistency of regional governance practices the association developed a set of regional operating rules and in doing so identified some inconsistencies and a lack of clarity in the Articles of Association. A decision was taken by the Trustees to appoint a solicitor to amend the Articles to improve clarity and intent of the Articles without altering the representative structures that are now in place. This process began in 2014 and continued into 2015 in preparation for a number of special resolutions to be presented to the 2015 AGM.

The association changed its auditors in 2014. This change was approved at the AGM and the new auditors, Old Mill, will conduct the 2014 audit. The 2014 AGM also saw David Croston retire as Treasurer with Dave Gregory replacing him in this role. The NSA is very grateful for all the time and hard work given by David Croston through a phase of change for the association.

The association's trends relating to membership numbers, involvement of the trade, NSA activities, media coverage, staff capacity, and available resources have all been positive and on an upward direction throughout the year. The Trustees took an important decision to hold membership fees at £50 for 2014 and 2015, a rate that has not seen an increase for several years and with a clear intention to provide the easiest access possible for members to join and to help the association fulfil its charitable objectives. The success of this decision has been aided by prudent financial management but was also underpinned by the generous legacy left to the NSA by one of its members which will further stabilise the association's security. This legacy has allowed the association to establish an investment portfolio, established as appropriate for a charitable company, and managed by Speirs and Jeffrey.

In addition to much attention on CAP reform and its impact on sheep farming across all UK nations, 2014 saw the NSA highlight the waste and damage being caused by TSE controls that require sheep to be split, suggesting an alternative approach that would not require legislative change but that would strip out significant costs without impacting on food safety. The association had a full year of successfully producing the Sheep Farmer magazine in house and this has led to the magazine being bigger and better with more relevant content. The NSA Next Generation initiative saw the first full years 'Young Ambassadors' programme, funded by NSA regions and supported by a number of NSA corporate supporters. The year ended with a young entrants conference which allowed the ambassadors to share their experiences and launch the intake for 2015. Initiatives and support for a wide range of activities relating to sheep health continued to be a strong focus for the association, evident at our 2014 flagship Sheep Event at Malvern where demonstrations and seminars complimented trade exhibitions on the subject of health and disease/parasite control. The association launched a new vision document for sheep farming during the year, outlining the key opportunities for the future as well as offering solutions to some of the challenges ahead.

During 2014 we worked positively in partnership with many organisations, farming unions, levy bodies, research institutes, food, environment and welfare NGOs, and Government departments. This approach adds weight to areas of interest as well as giving us the chance to explain the intricacies of practical sheep farming and its many positive outcomes.

The association's work would be impossible without its dedicated staff and also the considerable voluntary help provided by so many members. On behalf of NSA Trustees I would like to record our sincere thanks to all those who have given their time, knowledge, energy, and financial contributions, for the benefit of fellow sheep farmers.

The level of free reserves held by the association at the 2014 year end amounted to £1,127,603 (2013

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**CHIEF EXECUTIVE OFFICER'S STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

£730,778) of which £691,683 was represented by cash (2013 £775,777). The increase in free reserves was mainly due to the £323,000 of legacies received in the year. There are also restricted funds of £9,356 (2013 £6,603).

Name Philip Stocker  
NSA Chief Executive

Date

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

The Trustees (who are also directors of the charity for the purposes of the Companies Act) are pleased to present their annual report together with the audited financial statements of National Sheep Association (the charity) for the year ended 31 December 2014. The Trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The charity also trades under the name NSA.

### **Structure, governance and management**

#### **Constitution**

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 21st December 1892 and most recently amended in late 2011 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.

#### **Method of appointment or election of Trustees**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

- One Trustee is nominated by each of the six NSA English regions (six directors in total);
- Three Trustees are nominated by the NSA Cymru/Wales region;
- Two Trustees are nominated by the NSA Scottish region;
- One Trustee is nominated by the NSA Northern Ireland region;
- One Trustee acts as Treasurer to NSA and is elected at the Annual General Meeting each year;
- One Trustee is elected by the Board of Trustees to act as Chairman of the Trustees (subject to the provisions of article 43).

There is a rota for retirement of trustees and they are nominated by Regions at their annual open members meetings

#### **Policies adopted for the induction and training of Trustees**

In its first year the Board of Trustees received induction training on their responsibilities and duties from 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 Trustees confirm that they have adhered to section six of the NSA's Articles regarding income and property and the entitlements of its Trustees.

#### **Organisational structure and decision making**

##### Organisation:

The Board of Trustees administers the Charity. During the year the Board held four meetings. Additionally there were sub-committees covering Finance and General Purposes, and UK Policy and Technical. Each 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 Trustees to manage day to day operations, having regard to the decisions of the Board of Trustees.

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

Management and Staff:

NSA headquarters remains at Malvern. The main delivery of the policies is undertaken by the Chief Executive, supported by others. Phil Stocker continued as NSA Chief Executive in 2014. Charlotte Underwood's contract as Membership Recruitment Officer was made permanent. Two new members of staff were appointed - Helen Breakwell joined the staff as a Personal Assistant to the Chief Executive and as Accounts Bookkeeper, and Caitlin Peck as Communications Officer. Other NSA staffing during 2014 was Julie Jennings as Association Secretary, Gill Callow as Membership Secretary, Helen Davies as Sponsorship and Corporate Manager and Joanne Briggs as Communications Manager. Various self-employed staff work at shows, meetings and events and in the delivery of policy work around the devolved parts of the UK.

NSA Regions and Representation:

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

Membership Trends:

The Association had 6,294 members at the end of 2014 and 82 affiliated breed societies. This included 576 new members and reflects a particularly positive recruitment campaign offering a chance to win a '3 in 1' feeder for both new members and existing members who referred a new member. In 2014 there were 443 members who did not renew their membership, which is slightly more than in 2013 but still meant NSA saw a rise in overall membership. Membership retention and recruitment work will continue in 2014 in the hope of maintaining this new trend, despite operating in a shrinking sheep farmer base, albeit with a slightly increasing number of sheep.

Gift Aid:

In 2014 the association claimed Gift Aid from HMRC on all members who had granted permission on subscriptions paid in 2013 and the 4 years prior to, under HMRC rulings and taking into account the members taking part in prize draws throughout 2013. The claim for 2014 will be submitted to HMRC in 2015, (by tax year) on subscriptions paid in 2014/2015 and the 4 years prior to, under HMRC rulings in order to account for members taking part in prize draws throughout 2014 and 2015.

Breed Society Forum:

Regular engagement with breed societies and associations affiliated with NSA remains a key area of activity. At the request of the breed societies one Breed Society Forum was held during 2014, in May at the Royal Welsh Showground Builth Wells. This event helped keep sheep breed societies and associations abreast of NSA and sheep sector activity. In addition to the forum meetings the association communicates regularly via e mail and the web site.

**Related party relationships**

The Charity communicated regularly with many organisations, some of which are allied to the sheep industry and others whose activities affect it.

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

There is a formal partnership with the Moredun Foundation, whereby all NSA members are automatically Moredun Associate Members and receive all Moredun information.

There is a joint company registered in the name of NSA/RBST Ovine Semen Archive Limited (registered company number 07110433) having two directors each from NSA and the Rare Breeds Survival Trust (RBST).

### **Risk management**

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

### **Public benefit**

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

### **Objectives and Activities**

#### **Policies and objectives**

Summary of objectives:

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

There have been no material changes in the association's pursuance of 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. We promote the principle of a supportive policy and regulatory regime that will allow the industry to thrive and sheep and sheep farming to continue to provide benefits to the environment, local economies and rural infrastructure. NSA also encourages sheep farmers to improve the breeding and management of their sheep, as recommended by current related bodies. Education of young people involved or interested in sheep farming remained key to NSA's activities too.

#### Explanation of Main Objectives for the Year:

The strategies employed to achieve the Charity's objectives are to:-

- Grow membership to increase engagement and assist with communicating messages;
- Disseminate information to sheep farmers;
- Consult with members to gain a broad view of opinion;
- Compile a considered view to convey sheep industry views to appropriate bodies and the public;
- Provide a platform for promoting education for young entrants into sheep farming.

#### Main Aims for the Year:

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

In order to achieve its objectives, NSA had specific aims in 2014 that it felt were particularly important for the calendar year and the sheep farming sector. These included:-

- **On-going dialogue with government representatives in all nations regarding CAP reform and consultation with members to best understand the needs of sheep farming businesses.** A CAP position paper was drafted and agreed to ensure a focussed approach from all NSA regions in their discussions with government. Meetings were held with organisations having an interest in sheep farming to explore opportunities for joint support. Devolved nations have responded to consultations on CAP reform and have attended meetings to put forward NSA's position. Overall NSA's negotiations have achieved an emphasis on the trend of payments towards more marginal upland regions where productivity is limited and 'public goods' are readily demonstrable. In addition our work has been influential in getting recognition for the potential of CAP and the RDP in improving sheep health via efficiency type schemes.
- **Continued pressure to ease regulations regarding carcass splitting to improve market opportunities and reduce unnecessary red-tape.** 'Transmissible Spongiform Encephalopathies: The case for the relaxation of sheep controls' was published in March, calling for a relaxation in the controls. The report was sent to MPs, MEPs and European Commissioners. The association's CEO met with Catherine Brown, CEO of Food Standards Agency to discuss TSE controls. Conclusion of meeting was that an industry proposal to use a date cut off instead of tooth eruption would be welcomed. As a result we planned for an industry stakeholder meeting that took place early in 2015 to agree proposal for a change from splitting on tooth emergence to a calendar date of 30th June. The association, working collaboratively with the NFU, produced a vision report for sheep farming to highlight the opportunities for sheep farming and identify solutions to some of the challenges it faces.
- **Promotion of the economic and environmental importance of sheep in uplands to maintain rural communities, rural businesses and environmental diversity.** The Complementary Role of Sheep in Less Favoured Areas report, produced in 2012, is still being utilised to put forward the sheep industry's views on sheep in the uplands. The association's CEO spoke at a National Uplands conference at Newton Rigg College. At our own Sheep Event in Malvern, The Big Debate: "Balancing red meat supply with environmental impact" was the main attraction of the seminar programme. Chaired by Tom Heap and involving Yorkshire Water, RSPB, NSA, Philip Walling and Alan Alderson. One of the main outcomes of the debate was support for the idea that a wider range of public goods should be recognised and rewarded particularly in upland farms. The association's CEO held a meeting with Rebecca Evans, Deputy Minister for Farming and Food in the National Assembly for Wales focussing on the risks to traditional sheep farming and breeds in uplands and followed this up by meeting with Emyr Roberts, CEO of Natural Resources Wales where it was accepted that sheep farming was essential if NRW are to achieve their vision for the uplands in Wales. Following combined pressure from various stakeholders the Welsh Assembly government have returned to consultation on basic payment categories for the Moorland Payment.
- **Knowledge transfer to drive production efficiencies, therefore helping members improve profitability while also reducing greenhouse emissions.** Technical articles in Sheep Farmer magazine as well as timely reminders in the Weekly Email Update ensure a steady stream of information to members. Topics covered in 2014 included: nutrition for in-lamb ewes, testing and correctly dosing for fluke, practical control of coccidiosis, reducing lamb mortality, tackling CODD in lame sheep, cryptosporidium in young lambs, flushing ewes, quarantine treatments, reducing embryonic losses, and Johne's disease. NSA supported the provision of a programme of events in England funded by the RDP to promote better understanding of costs of production and benchmarking. 8 events were delivered by

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

NSA, Lesley Stubbings and Kate Phillips, engaging with a total of 63 delegates. NSA's campaigning efforts have resulted in a pilot sheep health scheme being run in Wales and RDP is to offer an England-wide health scheme with a strong focus on scab. A seminar was delivered and a fact sheet produced on CLA due to its effect on ram (and ewe) longevity and this focus merged during the year into the development of planning a wider ram longevity project.

- **Supporting research and monitoring of internal and external sheep parasites and anthelmintic resistance to improve health and welfare of sheep and promote good practice by keepers.** NSA is secretariat for SCOPS and also provides considerable technical and practical input to the forum as well as a key dissemination mechanism to producers regarding the best practice advice developed within the forum. NSA has supported work and programmes organised by the Animal Health and Welfare Board for England, RSPCA, SRUC, the AHDB/ADAS 'Stamp out Scab' project, the Welsh Government's 'Scab Task and Finish Group' and the Sheep Health and Welfare Group. The Scottish Fluke Action Group used George Milne, NSA's Scottish Regional Development Officer, as a case study and his business as a surveillance farm, with NSA hosting 'George's Journal' online to give real-time information to vets and farmers on managing fluke. The NSA website carries links to SCOPS and the Moredun Institute. A greater emphasis was put on correct quarantine procedures to avoid pasture and sheep contamination and infection with potentially resistant parasites.
- **Highlighting the seriousness of dog attacks on sheep worrying to encourage responsible behaviour by dog owners, improve sheep welfare and reduce stress and financial cost to keepers.** The initiative which was commenced in 2012 has continued to attract much media attention during the year. NSA undertook an on-line survey in April with nearly 600 responses being received. New activity was then launched in partnership with Farmers Guardian. New farm gate signs were made available to members. All the police forces and Crime Commissioners in UK were contacted to make them aware of the results of the survey and try to build a network of interested parties for future information sharing. Several police forces are pro-actively sharing their ideas and approaches with us.
- **Offering more opportunities to young people interested in the sheep industry and providing a source of information to assist individuals and encourage a wider dissemination of good practice:** Following two unsuccessful bids for grant funding, NSA went ahead with the NSA Next Generation programme with financial support from the NSA regions and ram sales. This money funded better promotion of NSA activity for young people (such as Young Shepherd of the Year competitions and NSA scholarships), the creation of a new website and an Ambassador programme. The website, offers information on training, work experience, scholarships and starting your own flock. The first intake of 11 young people to the Ambassadors programme started in early 2014 and concluded successfully at the end of the year with a Young Persons conference held in Gloucestershire and attended by 85 people. The opening of applications for the 2015 intake was launched at this conference.
- **Involvement in introduction of electronic recording of sheep movements in England and Wales to assist in the implementation of a system that is efficient and simple to use.** In advance of the launch of the new ARAMS service for England on 1st April 2014 NSA organised 6 events to inform farmers about the database and give the chance for South Western (the system suppliers) to hear farmers' views and inform them on the service. There were weekly, then monthly conference calls to update Defra and issues/problems were fed-back to South Western. Stakeholder meetings were attended and advice provided to South Western on variations in sheep movements.

**Activities for achieving objectives**

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

The addition to the staff of a Communications Officer maintained the increase in communication between NSA and members in 2014 with improvements to the NSA website, Facebook and Twitter pages. The weekly e-news increased in circulation and is now received by half of all members. The association produced an extra Sheep Farmer magazine during the year which meant a total of 7 magazines were mailed to members during the year. The magazine also grew in size and conveyed an increased amount of technical information to members. In addition to written communication routes, three NSA regions held major sheep events in 2014 - Eastern Region Winter Fair, Scotsheep and South Sheep - as well as NSA holding the biennial national Sheep Event at Malvern. All events were well attended by sheep farmers, sheep breed societies and trade exhibitors. Events included competitions and demonstrations as well as seminars and workshops, providing sheep farmers with an ideal opportunity to increase their awareness of best practice, industry requirements and topical issues.

### **Volunteers**

Many members of the association give their time and knowledge free of charge to contribute to the aims of their association. This is done in a variety of ways including involvement in committees and forums, organisation and delivery of local and national events and meetings, practical demonstrations and research.

### **Achievements and performance**

#### **Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

#### **Review of activities**

While it is always difficult to measure performance, NSA certainly can boast a continued increased profile in 2014. There has been considerable success in raising awareness and conveying a well-informed, considered opinion among non-sheep farmers concerning the practicalities of sheep farming and the beneficial effect that sheep and sheep farming has on the environment, local economies and rural infrastructure, as well as encouraging best practice among sheep farmers, particularly regarding animal health and welfare. Key achievements include:-

- NSA Sheep 2014, our national flagship event was delivered in July 2014. The event saw record numbers of people attend, with 200 trade stands, and 60 breed societies exhibiting. This event is the largest technical event for sheep farmers in the UK and is run in a way to encourage the maximum number of sheep farmers to attend and gain information and knowledge. In particular we ran our national young shepherds competition during the one day event, The Minister for Agriculture George Eustice opened the event and spent most of the day there, meeting people and getting to understand the needs of sheep farmers. There were many technical demonstrations available on the day, showing best practice handling and treatment techniques, and a number of seminars on topical issues.
- Taking Sheep Farmer magazine in-house, changing the management and appearance and overseeing a successful transition period. This action was taken to improve the quality and content of the membership magazine to inspire and aid the transfer of best practice knowledge to members. Its success is measured by feedback from members and office holders and this strongly suggests the action taken is appreciated and welcomed by members.
- Awarding the 2014 George Hedley Memorial Award to Mr David Croston in recognition of his life time

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

contribution to sheep farming. This award creates media opportunities to inspire and engage farmers and raise their interest in best practice

- Holding four specialist sheep events in 2014 gave opportunities for sheep farmers to access products, technology and ideas relating to up to date best practice in sheep farming. The public are also given opportunities to learn about sheep farming and its importance to the rural economy and the environment.
- Organising NSA Sheep Centres at the Royal Highland and Royal Welsh shows and Balmoral Show, to bring together organisations and companies serving the sheep sector and providing a useful and educational area for farmers and non-farmers alike. Attending other shows and events, either with specially organised stands for membership recruitment, or the carcass display units which give producers the opportunity to learn about the economic production of a good marketable carcass.
- Hosting the 2014 AGM (which presented the 2013 annual report and accounts). This was done at the Westmorland Agricultural Society offices and was followed by a farm walk hosted by our Chairman who was in the last year of office.
- Continuing to exploit the new NSA structure (introduced in 2012) ensuring all sub-committees have their own terms of reference and a rota for re-election of members. The new structure successfully allows the NSA Board of Trustees to take charge of the governance and direction of the association, and the Finance and General Purposes Committee to oversee the financial direction. The UK Policy and Technical Committee increased its ownership of the role of guiding the policy side of the association, while the English Committee and English regions, Welsh Committee, Scottish Committee and Northern Ireland Committee dealt with devolved issues where they could and came together to discuss and compare where appropriate.
- Membership numbers in 2014 have continued to show an increase, particularly in the Under 27 category as campaigns were continued to recruit new members and retain existing. Growing membership allows the association to increase its education and knowledge transfer work also with the aim of enthusing farmers and raising interest levels.
- Firs Farmhouse was let to tenants from July and now contributes to the income from the Sheep Centre site which helps provide a sound financial base for the operation of NSA.
- Much progress has been made in embedding sheep health and welfare interests within the CAP mechanism.
- In conjunction with the Campaign for Wool NSA helped to arrange for the provision of Dalesbred and Roughfell sheep at one of the main entrances to the Flooring Show in Harrogate in September. The presence of the flocks was aimed at promoting wool and highlighting the role of sheep in wool production and educating the non-farming public about the production of renewable and sustainable textiles.
- Through NSA's seat on the Red Tractor Assurance Technical Advisory Committee and the Beef and Lamb Board we have helped to negotiate the long-term direction for farm assurance standards relating to sheep.
- The visit of the Chief Executive to China together with EBLEX and NFU representatives has vastly improved our understanding of the culture of China in relation to sheep and our understanding of the market structure and opportunities there. The findings of the visits have been used to inform members

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

via articles in the Sheep Farmer magazine and through a series of presentations to members and farmer groups.

The Trustees take this opportunity to record their sincere thanks to all who have contributed in any way to the association and the sheep industry during the year. The NSA would not be able to function without the help of NSA members who give up their time, free of charge, for the benefit of their fellow sheep farmers. We are very grateful for their commitment to the association.

A significant number of the association's Management Board, Regional Officers and Vice President Members hold influential positions on numerous independent organisations and boards. This is an enormous asset to the NSA and thanks should be given to all these participants who both serve the sheep industry and our association in this way.

#### **Financial review**

#### **Reserves policy**

The level of free reserves held by the association at the year-end of 2014 amounted to £1,127,603 (2013 £730,778) of which £691,683 (2013 £775,777) 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 24.5 months of expenditure (not including expenses directly associated with the events). Reserves held in head office are sufficient to cover one month's salary costs and this is felt to be sufficient, as the major costs incurred here are covered by the subscriptions income, which is relatively secure. The Trustees believe that ideally the reserves in the NSA Regions and Ram Sales should be equivalent to 24 months of expenditure (as above) 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 are 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 in order to ensure accessibility.

#### **Principal funding**

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

During 2014 the association received the bulk of the legacy from a deceased member. The total legacy value is £611,800, £323,000 of which was received during 2014. The majority of this fund has been invested in a portfolio managed by Speirs and Jeffrey and planned to maintain the value of the fund in relation to inflation and contribute financially to the running of the NSA. Despite the poor economic situation and the fact that much of the fund was not invested for the entire year the fund performed satisfactorily and contributed to the association's trading account by £12,948. The investment company presented to the Trustees during November of 2014 to help build trust and knowledge in the investments made. A further final balance from the legacy has been received in 2015.

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

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

**Plans for the future**

**Future developments**

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 association remains concerned for the long-term financial viability and sustainability of sheep farming in UK and therefore for the ability of sheep farmers to stay in business, despite the recently improved prices received for sheep at market. 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 sharply increased costs associated with the operation of a sheep farming business, continue to put financial rewards under pressure. There is an increased 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. The association also feels that the lack of recognition about the importance of food security is starting to be overcome, as is recognition of many positive outcomes and public benefits of sheep farming. Defending the criticisms of red meat and sustainability is becoming slightly easier as recognition of food security and of the public benefits of sheep are increasingly accepted. However, this issue is far from overcome and continued work in this area is essential. The Trustees believe that 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.

**Trustees' responsibilities statement**

The Trustees (who are also directors of National Sheep Association 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

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 charitable company'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 charitable company's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on \_\_\_\_\_ and signed on their behalf by:

.....  
Mr Samuel Wharry, Chair

.....  
Mr David Gregory, Honorary Treasurer

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL SHEEP ASSOCIATION**

---

We have audited the financial statements of National Sheep Association for the year ended 31 December 2014 set out on pages 17 to 41. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's members, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The Trustees have elected for the financial statements to be audited in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Act 2011 rather than also with the Companies Act 2006. Accordingly we have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 145 of the Charities Act 2011 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL SHEEP ASSOCIATION**

---

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

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept proper and adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Tim Lerwill (Senior Statutory Auditor)**  
**For and on behalf of Old Mill Audit LLP**

Chartered Accountants  
Statutory Auditors

Wessex House  
Challemead Business Park  
Melksham  
Wiltshire  
SN12 8BU

Date:

Old Mill Audit 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**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Subscriptions	2	311,713	-	311,713	303,976
Other voluntary income	2	377,962	15,000	392,962	302,704
Activities for generating funds	3	430,320	-	430,320	390,380
Investment income	4	24,980	-	24,980	10,473
Incoming resources from charitable activities	5	317,865	-	317,865	245,817
Other incoming resources	6	30,900	-	30,900	25,127
<b>TOTAL INCOMING RESOURCES</b>		<b>1,493,740</b>	<b>15,000</b>	<b>1,508,740</b>	<b>1,278,477</b>
<b>LESS:</b>					
Costs of generating voluntary income	7	406,912	-	406,912	403,820
		<b>406,912</b>	<b>-</b>	<b>406,912</b>	<b>403,820</b>
<b>NET INCOMING RESOURCES AVAILABLE FOR CHARITABLE APPLICATION</b>		<b>1,086,828</b>	<b>15,000</b>	<b>1,101,828</b>	<b>874,657</b>
<b>OTHER RESOURCES EXPENDED</b>					
Charitable activities:					
Breeding improvements		136,693	-	136,693	136,673
Education and promotion		506,465	12,247	518,712	495,821
Membership services and enquiries		23,262	-	23,262	19,996
Governance costs	9	26,656	-	26,656	30,285
<b>TOTAL CHARITABLE EXPENDITURE</b>		<b>693,076</b>	<b>12,247</b>	<b>705,323</b>	<b>682,775</b>
<b>TOTAL RESOURCES EXPENDED</b>	12	<b>1,099,988</b>	<b>12,247</b>	<b>1,112,235</b>	<b>1,086,595</b>
<b>NET INCOMING RESOURCES BEFORE REVALUATIONS</b>		<b>393,752</b>	<b>2,753</b>	<b>396,505</b>	<b>191,882</b>

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Gains and losses on revaluations of investment assets	175,917	-	175,917	1,286
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>	<b>569,669</b>	<b>2,753</b>	<b>572,422</b>	<b>193,168</b>
<i>Total funds at 1 January 2014</i>	<i>1,091,687</i>	<i>6,603</i>	<i>1,098,290</i>	<i>905,122</i>
<b>TOTAL FUNDS AT 31 DECEMBER 2014</b>	<b>1,661,356</b>	<b>9,356</b>	<b>1,670,712</b>	<b>1,098,290</b>

The notes on pages 22 to 41 form part of these financial statements.

**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
<b>TOTAL INCOME</b>	<b>1,493,740</b>	<b>15,000</b>	<b>1,508,740</b>	<b>1,278,477</b>
<b>LESS: TOTAL EXPENDITURE</b>	<b>1,099,988</b>	<b>12,247</b>	<b>1,112,235</b>	<b>1,086,595</b>
<b>NET INCOME FOR THE YEAR</b>	<b>393,752</b>	<b>2,753</b>	<b>396,505</b>	<b>191,882</b>

The notes on pages 22 to 41 form part of these financial statements.

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
<b>NET INCOME FOR THE YEAR</b>	24	<b>393,752</b>	<b>2,753</b>	<b>396,505</b>	<i>191,882</i>
Gains and losses on revaluations of investment assets		<b>175,917</b>	-	<b>175,917</b>	<i>1,286</i>
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE 1 JANUARY 2014</b>	24	<b>569,669</b>	<b>2,753</b>	<b>572,422</b>	<i>193,168</i>

There is no difference between the income on ordinary activities for the year stated above and its historical cost equivalent.

The notes on pages 22 to 41 form part of these financial statements.

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 00037818**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	16		<b>206,942</b>		360,909
Investment property	18		<b>320,000</b>		-
Investments	19		<b>514,704</b>		-
			<u><b>1,041,646</b></u>		<u>360,909</u>
<b>CURRENT ASSETS</b>					
Stocks	17	<b>2,087</b>		3,444	
Debtors	20	<b>151,359</b>		87,637	
Investments	21	-		61,286	
Cash at bank	22	<b>691,683</b>		775,777	
			<u><b>845,129</b></u>	<u>928,144</u>	
<b>CREDITORS:</b> amounts falling due within one year	23		<u><b>(216,063)</b></u>	<u>(190,763)</u>	
<b>NET CURRENT ASSETS</b>			<u><b>629,066</b></u>		<u>737,381</u>
<b>NET ASSETS</b>			<u><u><b>1,670,712</b></u></u>		<u><u>1,098,290</u></u>
<b>CHARITY FUNDS</b>					
Restricted funds	24		<b>9,356</b>		6,603
Unrestricted funds	24		<b>1,661,356</b>		1,091,687
<b>TOTAL FUNDS</b>			<u><u><b>1,670,712</b></u></u>		<u><u>1,098,290</u></u>

The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 145 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 for preparing financial statements which give a true and fair view of the state of affairs of the charity as at 31 December 2014 and of its net incoming resources for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**BALANCE SHEET (continued)**  
**AS AT 31 DECEMBER 2014**

---

The financial statements were approved by the Trustees on behalf, by: and signed on their

The notes on pages 22 to 41 form part of these financial statements.

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

**1.2 Company status**

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**1.3 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 charity 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 charity 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.

**1.4 Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

**1. ACCOUNTING POLICIES (continued)**

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

Grants received to assist with specific expenditure are released to the Statement of Financial Activities as the expenditure is incurred.

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

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

Sponsorship of events is recognised in the Statement of Financial Activities when the event being sponsored is held.

Investment income is recognised in the Statement of Financial Activities on a received basis.

**1.5 Resources expended**

Expenditure is accounted for on an accruals basis, inclusive of any value added tax which cannot be received, and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. They include an element of head office costs on the basis of salary percentage in relation to collecting the voluntary proportion of subscriptions. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

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.

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

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

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £200 are capitalised.

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

**1. ACCOUNTING POLICIES (continued)**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	1% on cost
Carcass Units	-	20% on net book value
Display Trailers	-	25% on net book value
Fixtures and fittings	-	10-25% on cost
Hurdles	-	15-25% on cost
Computer equipment	-	20% on cost
Royal Welsh Pavillions	-	5% reducing balance

**1.7 Investments**

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

**1.8 Investment properties**

Investment properties are included in the Balance Sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the Trustees, necessary in order to give a true and fair view of the financial position of the charity.

**1.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.10 Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.11 Pensions**

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

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**1. ACCOUNTING POLICIES (continued)**

**1.12 Deferred income**

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

**2. VOLUNTARY INCOME**

	<b>Unrestricted funds 2014 £</b>	<b>Restricted funds 2014 £</b>	<b>Total funds 2014 £</b>	<i>Total funds 2013 £</i>
Subscriptions	311,713	-	311,713	303,976
Donations, legacies and gift aid	377,962	-	377,962	287,704
Grants	-	15,000	15,000	15,000
Subtotal	377,962	15,000	392,962	302,704
Voluntary income	689,675	15,000	704,675	606,680

**Donations and gifts**

Unrestricted funds:	<b>2014</b>	<i>2013</i>
	<b>£</b>	<i>£</i>
Donations and gifts	645	8,503
Legacies receivable	323,000	247,000
Corporate support	15,880	6,650
Gift aid	38,437	25,551
Total	377,962	287,704

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**Grants**

Restricted funds:	<b>2014</b>	<b>2013</b>
	£	£
<u>Sustainable control of parasites in sheep:</u>	-	-
AHDA (UK) Ltd	<b>1,500</b>	<b>1,500</b>
AMTRA	<b>1,500</b>	<b>1,500</b>
NFU	<b>1,500</b>	<b>1,500</b>
NOAH	<b>1,500</b>	<b>1,500</b>
EBLEX	<b>7,500</b>	<b>7,500</b>
NSA	<b>1,500</b>	<b>1,500</b>
	<hr/>	<hr/>
Total	<b>15,000</b>	<b>15,000</b>
	<hr/> <hr/>	<hr/> <hr/>

**3. FUNDRAISING INCOME**

	<b>Unrestricted funds 2014 £</b>	<b>Restricted funds 2014 £</b>	<b>Total funds 2014 £</b>	<b>Total funds 2013 £</b>
Regional events	<b>417,260</b>	-	<b>417,260</b>	<b>217,805</b>
Trade stands at regional events	<b>13,060</b>	-	<b>13,060</b>	<b>172,575</b>
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>430,320</b>	-	<b>430,320</b>	<b>390,380</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<b>Regional events</b>	<b>2014</b>	<b>2013</b>
	£	£
National Sheep event	<b>209,513</b>	-
Scotsheep event	<b>146,278</b>	-
Highland Sheep event	-	<b>53,962</b>
South Sheep event	<b>38,314</b>	-
Eastern Winter Fair	<b>19,630</b>	-
North Sheep event	<b>1,150</b>	<b>129,956</b>
South West event	<b>320</b>	<b>54,693</b>
Welsh Sheep event	<b>2,055</b>	<b>103,874</b>
Northern Ireland Sheep event	-	<b>23,560</b>
Central Region Winter Fair	-	<b>24,335</b>
Advertising and sponsorship	<b>13,060</b>	-
	<hr/>	<hr/>
Total	<b>430,320</b>	<b>390,380</b>
	<hr/> <hr/>	<hr/> <hr/>

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

<b>Activities for generating funds</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Regional event expenses	(169,513)	(263,820)
Depreciation on fixed assets held for shows	(4,978)	(4,506)
Event manager fees	(17,643)	(36,509)
<b>Total</b>	<b>(192,134)</b>	<b>(304,835)</b>

**4. INVESTMENT INCOME**

	<b>Unrestricted funds 2014 £</b>	<b>Restricted funds 2014 £</b>	<b>Total funds 2014 £</b>	<b>Total funds 2013 £</b>
Rental income	17,043	-	17,043	6,135
Income from unlisted investments	5,847	-	5,847	984
Interest receivable	2,090	-	2,090	3,354
<b>Total</b>	<b>24,980</b>	<b>-</b>	<b>24,980</b>	<b>10,473</b>

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>Unrestricted funds 2014 £</b>	<b>Restricted funds 2014 £</b>	<b>Total funds 2014 £</b>	<b>Total funds 2013 £</b>
Ram sales	147,213	-	147,213	159,948
Royal shows	30,937	-	30,937	61,104
Sheep Farmer advertising	139,715	-	139,715	24,765
<b>Total</b>	<b>317,865</b>	<b>-</b>	<b>317,865</b>	<b>245,817</b>

Ram sales consist of:	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wales & border	134,705	144,894
Eastern	4,196	9,198
South West	4,115	3,161
Northern Ireland	4,197	2,695
<b>Total</b>	<b>147,213</b>	<b>159,948</b>

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**6. OTHER INCOMING RESOURCES**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Non event regional activities	750	-	750	7,380
Carcass units hire	14,344	-	14,344	12,742
Promotional items	154	-	154	167
Sundry income	15,652	-	15,652	4,838
	<u>30,900</u>	<u>-</u>	<u>30,900</u>	<u>25,127</u>

**7. COSTS OF GENERATING VOLUNTARY INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Regional event expenses	169,513	-	169,513	263,820
Event manager fees	17,643	-	17,643	36,509
Sheep event costs	100,301	-	100,301	-
Support costs	119,455	-	119,455	103,491
	<u>406,912</u>	<u>-</u>	<u>406,912</u>	<u>403,820</u>

**8. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Breeding Improvement other costs	136,693	-	136,693	136,673
Membership services and enquiries	23,146	-	23,146	19,996
Education and Promotion other costs	506,581	12,247	518,828	495,821
	<u>666,420</u>	<u>12,247</u>	<u>678,667</u>	<u>652,490</u>

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**8. EXPENDITURE BY CHARITABLE ACTIVITY (continued)**

**SUMMARY BY EXPENDITURE TYPE**

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	<i>Total</i> 2013 £
Breeding Improvement other costs	-	-	136,693	136,693	136,673
Membership services and enquiries	17,438	370	5,338	23,146	19,996
Education and Promotion other costs	140,748	3,068	375,012	518,828	495,821
	<u>158,186</u>	<u>3,438</u>	<u>517,043</u>	<u>678,667</u>	<u>652,490</u>

**9. GOVERNANCE COSTS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total</i> <i>funds</i> 2013 £
Governance Auditors' remuneration	20,287	-	20,287	22,881
Professional fees	-	-	-	444
Bank charges	2,301	-	2,301	2,595
Bad debts	(914)	-	(914)	347
Wages and salaries	4,982	-	4,982	4,018
	<u>26,656</u>	<u>-</u>	<u>26,656</u>	<u>30,285</u>

Governance costs include fees payable to the auditors of £8,000 (2013 £9,000) for audit and accounts preparation and £2,500 (2013 £2,040) for VAT services.

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**10. DIRECT COSTS**

	Breeding Improvement and other costs £	Education and Promotion other costs £	Total 2014 £	Total 2013 £
Royal shows expenses	-	12,987	12,987	43,689
Royal shows managers fees	-	-	-	2,500
Non event regional activities	-	251	251	29,251
Carcass unit costs	-	14,639	14,639	9,255
Costs relating to Sheep Farmer	-	79,315	79,315	24,766
Membership promotion	-	41,301	41,301	48,172
Storage of semen	-	(963)	(963)	6,930
Travelling expenses and subsistence	-	72,940	72,940	64,910
Room hire and refreshments for meetings and conferences	-	29,154	29,154	21,158
Regional secretaries and officers fees	-	49,387	49,387	55,915
Awards, sponsorship and donations	-	11,042	11,042	7,345
Subscriptions for other bodies	-	1,274	1,274	1,148
Campaign for Wool	-	7,220	7,220	7,693
Sustainable Control of Parasites in Sheep project	-	12,247	12,247	10,518
Ram sale expense	136,693	-	136,693	136,673
	<u>136,693</u>	<u>330,794</u>	<u>467,487</u>	<u>469,923</u>

**11. SUPPORT COSTS**

	Fundraising costs £	Membership services and enquiries £	Education and Promotion other costs £	Total 2014 £	Total 2013 £
Photocopying	1,059	212	1,755	3,026	4,997
General office expenses	1,570	314	2,602	4,486	10,118
Telephone	3,306	661	5,479	9,446	8,192
Computer and website	2,983	597	4,944	8,524	8,234
Light and heat	1,284	257	2,129	3,670	4,772
Property repairs to head office	3,169	634	5,251	9,054	8,319
Professional fees	2,988	598	4,951	8,537	1,440
Rates	2,110	422	3,497	6,029	6,402
Postage and delivery	2,779	556	4,606	7,941	7,573
Insurance	2,538	508	4,206	7,252	8,431
Printing and stationery	2,895	579	4,798	8,272	7,187
Wages and salaries	77,263	15,677	126,532	219,472	172,503
National insurance	5,971	1,211	9,778	16,960	16,838
Pension cost	2,710	550	4,438	7,698	7,438
Depreciation	6,830	370	3,068	10,268	13,613
	<u>119,455</u>	<u>23,146</u>	<u>188,034</u>	<u>330,635</u>	<u>286,057</u>

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**11. SUPPORT COSTS (continued)**

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

	<b>Staff Costs</b>	<b>Other Costs</b>
Costs of generating funds	34.5%	35.0%
Education and promotion	56.5%	58.0%
Membership services and enquiries	7.0%	7.0%
Governance costs (Note 9)	2.0%	-

**12. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	<b>Staff costs 2014 £</b>	<b>Depreciation 2014 £</b>	<b>Other costs 2014 £</b>	<b>Total 2014 £</b>	<i>Total 2013 £</i>
Costs of generating voluntary income	<b>85,944</b>	<b>6,830</b>	<b>313,578</b>	<b>406,352</b>	<i>403,820</i>
<b>Costs of generating funds</b>	<b>85,944</b>	<b>6,830</b>	<b>313,578</b>	<b>406,352</b>	<i>403,820</i>
Breeding Improvement other costs	-	-	<b>136,693</b>	<b>136,693</b>	<i>136,673</i>
Membership services and enquiries	<b>17,438</b>	<b>370</b>	<b>5,338</b>	<b>23,146</b>	<i>19,996</i>
Education and Promotion other costs	<b>140,748</b>	<b>3,068</b>	<b>375,012</b>	<b>518,828</b>	<i>495,821</i>
<b>Charitable activities</b>	<b>158,186</b>	<b>3,438</b>	<b>517,043</b>	<b>678,667</b>	<i>652,490</i>
<b>Governance</b>	<b>4,982</b>	-	<b>21,674</b>	<b>26,656</b>	<i>30,285</i>
	<b>249,112</b>	<b>10,268</b>	<b>852,295</b>	<b>1,111,675</b>	<i>1,086,595</i>

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**13. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2014 £	Support costs 2014 £	Total 2014 £	Total 2013 £
Breeding Improvement other costs	136,693	-	136,693	136,673
Membership services and enquiries	-	23,146	23,146	19,996
Education and Promotion other costs	330,794	188,034	518,828	495,821
	<u>467,487</u>	<u>211,180</u>	<u>678,667</u>	<u>652,490</u>

**14. NET INCOMING RESOURCES**

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets: - owned by the charity	10,268	13,613
Auditors' remuneration	20,287	22,881
Pension costs	7,855	7,591
	<u>38,410</u>	<u>44,085</u>

During the year, no Trustees received any remuneration (2013 - £NIL).

During the year, no Trustees received any benefits in kind (2013 - £NIL).

13 Trustees received reimbursement of expenses amounting to £15,781 in the current year, (2013 - 4 Trustees - £7,589).

**15. STAFF COSTS**

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	223,951	176,024
Social security costs	17,306	17,182
Other pension costs	7,855	7,591
	<u>249,112</u>	<u>200,797</u>

The average monthly number of employees during the year was as follows:

	2014 No.	2013 No.
General staff	7	7

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

**15. STAFF COSTS (continued)**

No employee received remuneration amounting to more than £60,000 in either year.

**Subcontractors and honorarium**

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

	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
Regional secretaries and officers	11	9	49,755	55,915
Ram sales secretaries and officers	3	5	27,650	29,546
Regional event managers	7	3	17,643	36,509
Royal Shows event managers	1	1	2,000	2,500
	<hr/>	<hr/>	<hr/>	<hr/>
Total	22	18	97,048	124,470
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**16. TANGIBLE FIXED ASSETS**

	Freehold property £	Carcass Unit £	Display Trailers £	Fixtures and fittings £
<b>Cost</b>				
At 1 January 2014	363,271	25,905	26,678	64,755
Additions	-	-	-	-
Transfer between classes	(160,046)	-	-	-
At 31 December 2014	<u>203,225</u>	<u>25,905</u>	<u>26,678</u>	<u>64,755</u>
<b>Depreciation</b>				
At 1 January 2014	40,942	24,607	22,865	48,751
Charge for the year	3,633	260	588	1,812
On disposals	(14,404)	-	-	-
At 31 December 2014	<u>30,171</u>	<u>24,867</u>	<u>23,453</u>	<u>50,563</u>
<b>Net book value</b>				
At 31 December 2014	<u>173,054</u>	<u>1,038</u>	<u>3,225</u>	<u>14,192</u>
<i>At 31 December 2013</i>	<u>322,329</u>	<u>1,298</u>	<u>3,813</u>	<u>16,004</u>
	Hurdles £	Computer equipment £	Royal Welsh Pavillion £	Total £
<b>Cost</b>				
At 1 January 2014	85,079	77,532	40,547	683,767
Additions	-	3,544	-	3,544
Transfer between classes	-	-	-	(160,046)
At 31 December 2014	<u>85,079</u>	<u>81,076</u>	<u>40,547</u>	<u>527,265</u>
<b>Depreciation</b>				
At 1 January 2014	80,339	73,252	32,102	322,858
Charge for the year	3,146	2,008	422	11,869
On disposals	-	-	-	(14,404)
At 31 December 2014	<u>83,485</u>	<u>75,260</u>	<u>32,524</u>	<u>320,323</u>
<b>Net book value</b>				
At 31 December 2014	<u>1,594</u>	<u>5,816</u>	<u>8,023</u>	<u>206,942</u>
<i>At 31 December 2013</i>	<u>4,740</u>	<u>4,280</u>	<u>8,445</u>	<u>360,909</u>

The freehold property is carried at cost. The trustees consider the market value to be £270,000 at the year end.

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**17. Stocks**

	2014 £	2013 £
Stock of books and promotional items	2,009	3,366
Stock held in regions and ram sales	78	78
<b>Total</b>	<b>2,087</b>	<b>3,444</b>

**18. INVESTMENT PROPERTY**

	Freehold investment property £
<b>Valuation</b>	
At 1 January 2014	-
Transfers between classes	320,000
At 31 December 2014	<b>320,000</b>

Investment property assets valued at year end by Carver Knowles on 25 June 2015, a RICS registered firm.

**19. FIXED ASSET INVESTMENTS**

	Listed securities £	Unlisted securities £	Total £
<b>Market value</b>			
At 1 January 2014	-	-	-
Additions	450,259	-	450,259
Revaluations	214	2,945	3,159
Reclassifications	-	61,286	61,286
At 31 December 2014	<b>450,473</b>	<b>64,231</b>	<b>514,704</b>

**Investments at market value comprise:**

	UK £	Overseas £	2014 £
Listed investments	424,168	26,305	450,473
Unlisted investments	64,231	-	64,231
<b>Total market value</b>	<b>488,399</b>	<b>26,305</b>	<b>514,704</b>

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**19. FIXED ASSET INVESTMENTS (continued)**

**Material investments**

	<b>31 December 2014</b>	<i>31 December 2013</i>
	£	£
NFU mutual Select investment plan	49,885	-
Threadneedle UK Corp Bond 2 Inc	31,212	-
COIF Charities Investment Fund	64,231	-
	<b>145,328</b>	<b>-</b>
	<b>145,328</b>	<b>-</b>

**20. DEBTORS**

	<b>2014</b>	<i>2013</i>
	£	£
Trade debtors	108,478	58,554
Other debtors	35,331	26,775
Prepayments and accrued income	7,550	2,308
	<b>151,359</b>	<i>87,637</i>
	<b>151,359</b>	<i>87,637</i>

**Split of debtors between funds**

	<b>2014</b>	<i>2013</i>
	£	£
At headquarters	104,352	44,706
At regions and ram sales	47,007	42,931
	<b>151,359</b>	<i>87,637</i>
	<b>151,359</b>	<i>87,637</i>

**21. CURRENT ASSET INVESTMENTS**

	<b>2014</b>	<i>2013</i>
	£	£
Unlisted investments	-	61,286
	<b>-</b>	<i>61,286</i>
	<b>-</b>	<i>61,286</i>

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**22. Cash at bank**

	<b>2014</b>	<b>2013</b>
	£	£
<b>Split of cash at bank and in hand between funds</b>		
At headquarters	<b>366,368</b>	348,192
At regions and ram sales	<b>325,315</b>	427,585
	<hr/>	<hr/>
Total	<b>691,683</b>	775,777
	<hr/> <hr/>	<hr/> <hr/>

**23. CREDITORS:**  
**Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	£	£
Trade creditors	<b>64,753</b>	72,913
Other taxation and social security	<b>22,493</b>	10,382
Other creditors	<b>1,439</b>	1,064
Accruals and deferred income	<b>127,378</b>	106,404
	<hr/>	<hr/>
	<b>216,063</b>	190,763
	<hr/> <hr/>	<hr/> <hr/>
		£
<b>Deferred income</b>		
Deferred income at 1 January 2014		<b>75,883</b>
Resources deferred during the year		<b>88,948</b>
Amounts released from previous years		<b>(75,883)</b>
		<hr/>
Deferred income at 31 December 2014		<b>88,948</b>
		<hr/> <hr/>

**Deferred income consists of:**

	<b>2014</b>	<b>2013</b>
	£	£
Membership subscription income relating to next financial year	<b>71,864</b>	51,962
Regional event income invoiced in advance	<b>17,084</b>	23,921
	<hr/>	<hr/>
Total	<b>88,948</b>	75,883
	<hr/> <hr/>	<hr/> <hr/>

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**Split of creditors due within one year between funds**

	2014 £	2013 £
At headquarters	143,967	128,561
At regions and ram sales	72,096	62,202
 Total	<b>216,063</b>	<b>190,763</b>

**24. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Designated funds</b>						
National Sheep event	34,656	209,513	(100,341)	-	-	143,828
Scottish region	20,417	185,028	(204,552)	38,000	-	38,893
Northern region	55,966	1,428	(15,505)	-	-	41,889
Wales region	93,186	12,198	(14,313)	-	-	91,071
Central region	25,000	250	(5,429)	-	-	19,821
Marches region	3,759	5,744	(5,405)	5,000	-	9,098
Eastern region	13,577	24,228	(20,596)	-	-	17,209
South west region	16,177	585	(7,980)	2,899	-	11,681
South east region	13,118	41,622	(37,908)	170	-	17,002
Northern Ireland region	32,286	8,234	(10,244)	5,250	-	35,526
 Wales and border ram sales	 140,949	 142,120	 (137,331)	 -	 -	 145,738
South west ram sales	62,587	5,140	(3,633)	-	-	64,094
	<b>511,678</b>	<b>636,090</b>	<b>(563,237)</b>	<b>51,319</b>	<b>-</b>	<b>635,850</b>
 <b>General funds</b>						
General Funds - all funds	580,009	857,650	(536,751)	(51,319)	175,917	1,025,506
Total Unrestricted funds	<b>1,091,687</b>	<b>1,493,740</b>	<b>(1,099,988)</b>	<b>-</b>	<b>175,917</b>	<b>1,661,356</b>

The £38,000 transfer to Scottish region relates to an amount provided for support.

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**24. STATEMENT OF FUNDS (continued)**

<b>Restricted funds</b>						
Sustainable control of parasites in sheep	5,601	15,000	(12,247)	-	-	8,354
Welsh commons forum	1,002	-	-	-	-	1,002
	<u>6,603</u>	<u>15,000</u>	<u>(12,247)</u>	<u>-</u>	<u>-</u>	<u>9,356</u>
Total of funds	<u><u>1,098,290</u></u>	<u><u>1,508,740</u></u>	<u><u>(1,112,235)</u></u>	<u><u>-</u></u>	<u><u>175,917</u></u>	<u><u>1,670,712</u></u>

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

Eastern region and Eastern region ram sales prepare combined accounts and are treated as a single region.

**Restricted funds:**

**Welsh Commons Forum**

In 2012 a separate organisation for Welsh commons forum was set up independently of the National Sheep Association. The residual funds held by the National Sheep Association for this purpose were transferred to the newly established Welsh Commons Forum, the remaining balance represents regional VAT due to head office.

**Sustainable control of parasites in sheep**

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

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

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

**NATIONAL SHEEP ASSOCIATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**25. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Head office activity / Unrestricted funds 2014 £	Other activities / Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	206,943	-	206,943	360,909
Fixed asset investments	514,704	-	514,704	61,286
Investment property	320,000	-	320,000	-
Current assets	835,773	9,356	845,129	866,858
Creditors due within one year	(216,064)	-	(216,064)	(190,763)
	<u>1,661,356</u>	<u>9,356</u>	<u>1,670,712</u>	<u>1,098,290</u>

**26. TRANSFERS**

<b>Transfers between Head Office and Regions &amp; Ram Sales</b>	<b>2014</b> <b>£</b>
Head office grants for regional secretaries' fees and related costs	8,319
Head office grants to Marches region to assist with set up costs	5,000
Head office transfers to Scottish region	38,000
Total	<u>51,319</u>

---

**NATIONAL SHEEP ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

**27. PENSION COMMITMENTS**

Defined contribution

	2014 £	2013 £
Contributions payable by the charity for the year	<u>7,855</u>	<u>7,591</u>

**28. OPERATING LEASE COMMITMENTS**

At 31 December 2014 the charity had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<b>Expiry date:</b>		
Between 2 and 5 years	19,002	3,040
After more than 5 years	<u>2,124</u>	<u>-</u>

**29. OTHER FINANCIAL COMMITMENTS**

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

**30. RELATED PARTY TRANSACTIONS**

	2014 £
Stonehill Stitchcraft - Company owner is son of a Trustee	437
A Payne - Spouse of a Trustee	592
Stonehill Sheep Services - Company owned by Trustee	<u>2,907</u>
	<u>3,936</u>

**31. POST BALANCE SHEET EVENTS**

A legacy of £41,831 was received on 6 May 2015 from the Mrs Rutherford's Estate.