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Registered number: 00037818
Charity numbers: 249255 and SC042853

NATIONAL SHEEP ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Bishop Fleming

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2025

Trustees

Mr W Adamson (appointed 6 May 2025)
Mr J Alderson (resigned 6 May 2025)
Mr J Bickerton (appointed 6 May 2025)
Ms D Colley (resigned 31 October 2025)
Mr M Credland
Mr J Cuthbert (appointed 6 May 2026)
Mr P Delbridge
Mr P Derryman
Mr J Farmer (resigned 6 May 2025)
Mr A Foulds (resigned 6 May 2026)
Mr D Gregory
Mrs K Hovers (resigned 6 May 2026)
Mrs C Hughes
Dr Y Le Du
Mrs P Nicol
Mr J Raine (appointed 6 May 2025)
Mr R Savory (appointed 6 May 2026)
Mr T Ward (appointed 6 May 2026)
Mr J Wozencraft

Company registered number

00037818

Charity registered numbers

249255 and SC042853

Registered office

The Sheep Centre
Malvern
Worcestershire
WR13 6PH

Honorary President

Lord Inglewood

Chief executive officer

Mr P Stocker

Independent auditors

Bishop Fleming Audit Limited
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Bankers

Lloyds Bank plc
Malvern
Worcestershire
WR14 4QG

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustees present their Annual Report and financial statements of the company for the year 1 January 2025 to 31 December 2025. The Annual Report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm the Annual Report and financial statements of the charitable company comply with current statutory requirements, the requirements of the charitable company's governing document, and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS102.

Objectives and activities

a. Summary of objectives and activities.
There was no material change to the association's charitable objectives during the year, which remain focused on encouraging and improving the breeding, management and promotion of sheep, advancing education, animal health and welfare, environmental protection and public benefit. Throughout 2025, the National Sheep Association (NSA) continued to operate as a trusted, evidence-based voice for sheep farming, working collaboratively with members, regions, committees and industry partners to influence policy and support the long-term sustainability of the sector.

NSA's work has remained focused on:

- Representing sheep farmers at national and devolved government level
- Promoting sheep farming's contribution to food production, environment and rural communities
- Supporting innovation, research and knowledge exchange
- Investing in the next generation of sheep farmers

This work continues to be delivered through a combination of policy engagement, research collaboration, events, communications and member services, alongside a strong regional structure.

b. Main objectives for the year.
NSA's overarching objective during 2025 remained the delivery of its long-term vision of a resilient, sustainable and respected UK sheep sector. This is underpinned by a commitment to evidence-based policy development, the application of practical farming knowledge and strong engagement between farmers, policymakers and the wider public. The association also continued to prioritise continuous improvement in animal health, welfare and environmental outcomes, alongside supporting the development of future industry leaders.

During the year, these objectives translated into a number of key areas of focus. NSA continued to influence agricultural policy across all four UK nations through early and constructive engagement with government and industry stakeholders. At the same time, the association worked to strengthen the role of sheep farming within wider sustainability and climate discussions, ensuring that the sector is recognised as part of the solution to environmental challenges.

Further emphasis was placed on supporting the next generation of sheep farmers through targeted programmes, events and engagement opportunities, helping to build skills, confidence and long-term capacity within the industry. In addition, NSA remained actively involved in delivering research and innovation projects grounded in real farm systems, ensuring that outcomes are practical, evidence-based and beneficial to members and the wider sector.

c. Main aims and significant activities for achieving objectives.
NSA continued to deliver its charitable objectives through a coordinated programme of policy engagement, research activity, member services, events and communications. A significant proportion of the association's work took place through early engagement with policymakers, industry bodies and research organisations, ensuring that the interests of sheep farmers were represented at the point where decisions are shaped rather than after implementation. This approach enabled NSA to influence the development of agricultural policy, farming support schemes and regulatory frameworks across all four nations of the UK.

Alongside its policy work, NSA remained actively involved in a wide range of research and development initiatives. These projects focused on improving flock health and welfare, productivity and environmental performance, including work on carbon sequestration, methane reduction, grazing systems, disease control and genetic improvement. NSA contributed both practical farming insight and financial support to a number of these initiatives, ensuring that outcomes remain grounded in real farm systems and deliver tangible benefits to members and the wider sector.

Member engagement continued to be delivered through a comprehensive programme of regional and national events, providing opportunities for knowledge exchange, peer learning and industry discussion. These events were supported by a strong communications function, including the Weekly Email Update, web-based information, Sheep Farmer magazine, press engagement and digital channels, which ensured that members remained informed of key developments affecting the sector. The association also continued to invest in raising awareness of key rural issues, including livestock worrying by dogs, and grazing to reduce risk of wildfires, working collaboratively with partners and enforcement bodies.
The NSA Next Generation programme remained a key area of focus, providing structured opportunities for young people to develop skills, build networks and engage with policy and industry leadership. Activities included workshops, competitions and national engagement opportunities, helping to support the long-term sustainability of the sector by encouraging new entrants and developing future leaders.

d. Volunteers.
NSA continues to benefit significantly from the commitment and expertise of its volunteers, including Trustees, regional officeholders, committee members and event organisers. These individuals play a vital role in ensuring the association remains representative of its membership and responsive to the needs of the sector. Their contribution supports the delivery of regional activities, informs policy development and strengthens engagement across the UK, enabling NSA to operate effectively as a grassroots organisation with national reach.

e. Public benefit.
In shaping its activities, the Trustees have had due regard to the Charity Commission's guidance on public benefit. NSA delivers public benefit through its work to support a sustainable and resilient sheep farming sector, which contributes to food production, environmental management and the economic and social fabric of rural communities.

The association's work promotes high standards of animal health and welfare, supports responsible land management and contributes to biodiversity and climate objectives. In addition, NSA plays an important role in ensuring that agricultural policy is informed by practical farming knowledge, helping to deliver outcomes that are workable, proportionate and beneficial to both the sector and wider society. Through its communications and outreach activity, NSA also helps to improve public understanding of sheep farming and its role within the UK food system.

Achievements and performance

a. Main achievements of the association
Key achievements during 2025 include:

Policy influence and representation

- Triggering reform of farm assurance
- Influencing design of farming support schemes across the UK
- Contributing to national policy debates and consultations

Health, welfare and sustainability

- Co-design of the Animal Health and Welfare Pathway
- Influencing the establishment of a taskforce addressing vaccine supply challenges
- Contribution to research on land management, flock health, and disease prevention
- Leadership in sheep welfare strategy development
- Encouraging best practice at a farm level

Regional impact

- Continued impact from NSA Cymru's £60,000 investment in disease screening infrastructure
- New research initiatives on grazing and environmental management
- Strong regional representation on key issues such as species reintroduction and land use

Next Generation programme

- Delivery of workshops, competitions and national engagement opportunities
- Strengthening pathways for young people into the sheep sector
- Increasing confidence, skills and leadership capacity among participants

Industry collaboration

- Ongoing partnerships with research organisations, government and industry bodies
- Provision of secretariat support to key advisory groups
- Leading, and participating in industry working groups seeking sustainable solutions to industry challenges

Events and communications

- Delivery of over 50 events across the UK
- Expansion of digital communications reach and engagement
- Continued development of flagship events and member services

b. Key performance indicators.

The Trustees monitor the performance of the association through a combination of external and internal indicators, recognising that much of NSA's impact is long-term and not always immediately quantifiable.
External indicators include measures of sector resilience, such as flock productivity, animal health and welfare outcomes, and the extent to which sheep farming is recognised within policy and public discourse. NSA's influence can be seen in its contribution to policy development, including engagement with government consultations, participation in advisory groups and the shaping of farming support schemes. While these outcomes are often indirect, they are critical in ensuring that policies are practical, evidence-based and reflective of real farming conditions.

Internal performance indicators focus on the strength and sustainability of the organisation itself. Membership engagement remains a key measure, assessed through participation in events, uptake of member services and interaction with communications such as the Weekly Email Update, which continues to achieve strong engagement rates relative to industry benchmarks. Growth in digital engagement, including website traffic and social media reach, provides further evidence of NSA's ability to communicate effectively with both members and the wider industry.

The delivery and reach of events are another important indicator, with a broad programme of regional and national activity contributing to knowledge exchange and member value. In addition, the success of initiatives such as the Next Generation programme is measured through participation levels, quality of engagement and progression opportunities for those involved.

Financial performance and income diversification are also closely monitored to ensure the long-term sustainability of the association. This includes maintaining a balanced income model across membership, events, sponsorship and project funding, alongside careful cost control and regular financial reporting to Trustees.

Taken together, these indicators provide assurance that NSA is delivering against its objectives, maintaining strong engagement with its membership and continuing to operate as an effective and influential voice for the UK sheep sector.

c. Review of activities.
The association maintains robust processes for reviewing its activities and performance throughout the year. Oversight is provided through regular Board meetings, supported by the Senior Management Team and a network of committees and regional structures. This framework ensures that activities remain aligned with strategic objectives, resources are allocated effectively and emerging risks and opportunities are identified and addressed in a timely manner.

Regular reporting, including operational and financial updates, enables Trustees to monitor progress and make informed decisions. This structured approach supports continuous improvement and ensures that NSA remains responsive to changes within the agricultural and policy environment.

d. Factors relevant to achieving objectives.
A number of key factors have influenced the association's ability to achieve its objectives during the year. Continued engagement with policymakers, industry partners and research organisations has been critical in enabling NSA to maintain its position as a trusted and credible voice within the sector. The strength of its regional structure has also played an important role, ensuring that local issues and perspectives are reflected in national discussions.

The evolving agricultural policy landscape, including changes to farming support schemes and environmental regulation, has required NSA to remain adaptable and proactive in its approach. At the same time, external pressures such as economic uncertainty and disease challenges have reinforced the importance of the association's work in supporting resilience within the sector.
Investment in staff capability, communications and programme delivery has further supported the association's effectiveness, enabling it to deliver a broad range of activities while maintaining a clear focus on its strategic priorities.

e. Fundraising activities and income generation.
The association continues to operate a diversified income model, drawing on membership subscriptions, event income, sponsorship, project funding and other commercial activities. This approach helps to ensure financial resilience and supports the delivery of a wide range of services and initiatives for members.

Fundraising and income generation activities are carried out in a manner consistent with the association's charitable objectives and values. The Trustees continue to monitor income streams and opportunities to ensure that resources are used effectively and sustainably, supporting both current operations and future development.

f. Investment policy and performance.
Investment strategy continues to balance short-term liquidity and long-term income generation. Performance is monitored regularly by Trustees, with investments supporting both operational stability and future development.

Financial review

a. Overview.

The financial position at the end of 2025 shows an increase over 2024, with the total closing reserves at £2,466,693 (Restated 2024: £2,294,072), an increase in funds of 7.5%. The increase of £172,621 (as shown on page 14) comprises two elements. The first is an operating profit of £111,893. The second element is an increase in investments of £60,728. This financial performance provides a secure basis for managing the varying cashflows that result from the two-year cycle of events. The annual regular operating contribution has averaged £94,566 over the two-year cycle of 2024 and 2025. This provides a sound basis for supporting the varied activities of NSA across the coming years. NSA maintained a flexible balance between investments and working capital, as shown on page 15. NSA has a number of strong income streams, including membership subscriptions and events, but is not solely reliant on either to support its activities. This income spread is illustrated on pages 23 and 24 and in the supporting notes.

b. Going concern.

The Trustees confirm that NSA has neither the intention nor the need to cease its activities or significantly reduce the scale of its operations. The long-term viability of the association remains a key consideration for the Trustees and is regularly reviewed throughout the year, supported by input and analysis from the Senior Management Team and staff.

This oversight includes regular monitoring of financial performance through quarterly reporting against key financial indicators, alongside a biannual review of the NSA Risk Register. The association also continues to operate with forward-looking financial planning, to ensure financial stability and informed decision-making. The forward-looking covers a period of at least 12-months from the date of signing the financial statements.

NSA continues to benefit from a diversified income model. While membership subscriptions remain central to its funding, the association is not solely reliant on this income stream. Additional income is generated through sponsorship, advertising, events and trade activities, as well as externally funded research projects and investment income. This diversity provides resilience and helps mitigate the impact of fluctuations in any single income source.

At the year end, the charitable company has net assets of £2,466,693 (Restated 2024: £2,294,072) which includes investments of £1,529,853 (Restated 2024: £1,467,901).

Based on this ongoing review and the strength of its financial position, the Trustees have a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

c. Reserves policy.

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

d. Investment policy.

Funds not required for immediate use continue to be invested appropriately to generate income and safeguard long-term sustainability.

e. Principal risks and uncertainties.

Key risks include:

- Changes in agricultural policy and funding
- Industry contraction
- External economic pressures

These are actively monitored and mitigated through the NSA Risk Register.

f. Fundraising policy.
NSA does not use professional fundraisers and does not fundraise through public appeals. It did not receive any complaints about fundraising activities in 2025. NSA does provide the facility for individuals to make donations via the website related to specific activities that extend beyond regular work areas.

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

Structure, governance and management.

a. Constitution.
NSA continues to operate as a Company Limited by Guarantee and a Registered Charity. The association is governed by its Articles of Association and operates in accordance with relevant charity and company law requirements. These governing documents set out the framework within which the Trustees are responsible for ensuring that the organisation fulfils its charitable objectives and complies with its legal obligations.

b. Trustees.
Trustee appointments and retirements during 2025 were conducted in accordance with the Articles of Association. The Board of Trustees retains overall responsibility for the strategic direction, governance and oversight of the organisation, ensuring that decisions are taken in the best interests of the charity and its beneficiaries. Trustees bring a range of skills and experience to support effective governance and the delivery of NSA's objectives.

c. Organisational structure.
The governance structure of the association remained unchanged during the year. The Board of Trustees is responsible for setting the strategic direction of the organisation and for ensuring appropriate governance and accountability. Day-to-day operational management is delegated to the Chief Executive, who is supported by the Senior Management Team. This structure provides a clear separation between governance and management, enabling effective decision-making and operational delivery.

d. Management and staff.
Staffing arrangements continued to evolve during 2025 to support the delivery of NSA's objectives and respond to the changing needs of the organisation. Particular focus was placed on strengthening policy capability, enhancing communications and ensuring effective programme delivery. This has enabled NSA to maintain a strong presence across policy, member engagement and project activity, while continuing to deliver value to members and the wider sector.

e. Pay policy.
Remuneration for staff is reviewed annually by the Senior Management Team and Trustees. This process ensures that pay levels remain appropriate, competitive and reflective of the responsibilities of each role, while also taking into account the financial position of the organisation and its charitable status. The approach aims to support the recruitment and retention of skilled staff necessary to deliver NSA's objectives effectively.

f. Related party relationships.
All related party transactions during the year were conducted in accordance with the association's governance framework and charitable objectives. Appropriate procedures are in place to ensure that any potential conflicts of interest are identified and managed, and that transactions are carried out transparently and in the best interests of the organisation.

g. Financial risk management.
Financial risk management remains a key priority for the Trustees. Financial performance is monitored regularly through structured reporting processes, supported by internal controls designed to safeguard the organisation's assets and ensure the appropriate use of resources. These controls provide assurance that financial risks are identified, assessed and managed effectively.

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

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

Mr D Gregory	**Mr P Delbridge**
Treasurer	Chair

Date:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL SHEEP ASSOCIATION

OPINION

We have audited the financial statements of National Sheep Association (the 'charity') for the year ended 31 December 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

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

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

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

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

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

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

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

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date:

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

NATIONAL SHEEP ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	As restated Total funds 2024 £
Income from:					
Donations and legacies	4	**73,930**	**5,056**	**78,986**	33,517
Charitable activities	5	**622,645**	**38,747**	**661,392**	668,150
Other trading activities	6	**696,550**	**-**	**696,550**	551,444
Investments	7	**60,254**	**-**	**60,254**	57,404
Other income	8	**9,206**	**-**	**9,206**	9,125
Total income		**1,462,585**	**43,803**	**1,506,388**	1,319,640
Expenditure on:					
Charitable activities	9	**1,366,740**	**27,755**	**1,394,495**	1,336,967
Total expenditure		**1,366,740**	**27,755**	**1,394,495**	1,336,967
Net income/(expenditure) before net gains on investments		**95,845**	**16,048**	**111,893**	(17,327)
Net gains on investments		**60,728**	**-**	**60,728**	54,784
Net movement in funds before other recognised gains/(losses)		**156,573**	**16,048**	**172,621**	37,457
Other recognised gains/(losses):					
Gains on revaluation of fixed assets		**-**	**-**	**-**	153,258
Net movement in funds		**156,573**	**16,048**	**172,621**	190,715
Reconciliation of funds:					
Total funds brought forward		**2,282,695**	**11,377**	**2,294,072**	2,103,357
Net movement in funds		**156,573**	**16,048**	**172,621**	190,715
Total funds carried forward		**2,439,268**	**27,425**	**2,466,693**	2,294,072

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

The notes on pages 18 to 42 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2025

	Note	2025 £	As restated 2024 £
Fixed assets			
Intangible assets	14	**14,991**	20,902
Tangible assets	15	**150,369**	114,319
Investments	17	**1,529,853**	1,467,901
Investment property	16	**480,181**	447,000
		2,175,394	2,050,122
Current assets			
Stocks	18	**2,751**	2,825
Debtors	19	**135,396**	175,281
Cash at bank and in hand		**486,711**	443,228
		624,858	621,334
Current liabilities			
Creditors: amounts falling due within one year	20	**(333,559)**	(377,384)
Net current assets		**291,299**	243,950
Total net assets		**2,466,693**	2,294,072
Charity funds			
Restricted funds	22	**27,425**	11,377
Unrestricted funds	22	**2,439,268**	2,282,695
Total funds		**2,466,693**	2,294,072

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

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2025

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

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

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

Mr D Gregory	**Mr P Delbridge**
Treasurer	Chair

Date:

The notes on pages 18 to 42 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £	As restated 2024 £
Cash flows from operating activities			
Net cash used in operating activities	25	**75,321**	(39,395)
Cash flows from investing activities			
Dividends, interest and rents from fixed asset investments		**60,254**	57,404
Purchases of fixed assets		**(57,687)**	(32,065)
Proceeds from the sales of fixed asset investments		**166,739**	210,000
Purchase of fixed asset investments		**(167,963)**	(456,313)
Proceeds from the sales of fixed asset investment property		**-**	230,000
Purchase of investment property		**(33,181)**	-
Net cash (used in)/provided by investing activities		**(31,838)**	**9,026**
Change in cash and cash equivalents in the year		**43,483**	**(30,369)**
Cash and cash equivalents at the beginning of the year		**443,228**	473,597
Cash and cash equivalents at the end of the year	26	**486,711**	443,228

The notes on pages 18 to 42 form part of these financial statements

1. GENERAL INFORMATION

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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

2.2 GOING CONCERN

The Trustees confirm that NSA has neither the intention nor the need to cease its activities or significantly reduce the scale of its operations. The long-term viability of the association remains a key consideration for the Trustees and is regularly reviewed throughout the year, supported by input and analysis from the Senior Management Team and staff.

This oversight includes regular monitoring of financial performance through quarterly reporting against key financial indicators, alongside a biannual review of the NSA Risk Register. The association also continues to operate with forward-looking financial planning, to ensure financial stability and informed decision-making. The forward-looking covers a period of at least 12-months from the date of signing the financial statements.

NSA continues to benefit from a diversified income model. While membership subscriptions remain central to its funding, the association is not solely reliant on this income stream. Additional income is generated through sponsorship, advertising, events and trade activities, as well as externally funded research projects and investment income. This diversity provides resilience and helps mitigate the impact of fluctuations in any single income source.

At the year end, the charitable company has net assets of £2,466,693 (2024: £2,294,072) which includes investments of £1,529,853 (2024: £1,467,901).

Based on this ongoing review and the strength of its financial position, the Trustees have a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

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

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

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

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

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

Membership subscriptions are recognised as income over the period to which they relate. Where subscriptions are received in advance of the period of membership, the income is deferred and recognised in the following financial period.

2.4 EXPENDITURE

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

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

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

2. ACCOUNTING POLICIES (continued)

2.5 INTANGIBLE ASSETS AND AMORTISATION

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

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

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

Amortisation is provided on the following bases:

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

2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

Depreciation is provided on the following bases:

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

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

2. ACCOUNTING POLICIES (continued)

2.7 INVESTMENTS

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

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

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

2.8 STOCKS

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

2.9 DEBTORS

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

2.10 CASH AT BANK AND IN HAND

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

2.11 LIABILITIES AND PROVISIONS

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

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

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

2. ACCOUNTING POLICIES (continued)

2.12 FINANCIAL INSTRUMENTS

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

2.13 OPERATING LEASES

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

2.14 PENSIONS

The 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.

2.15 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the 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.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

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

Critical areas of judgment:

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

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

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total funds 2025 £**	Total funds 2024 £
Donations from Gift Aid	48,242	-	**48,242**	16,844
Other donations and legacies	25,688	-	**25,688**	16,673
Grants	-	5,056	**5,056**	-
	73,930	5,056	**78,986**	33,517
TOTAL 2024	33,517	-	33,517	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total funds 2025 £**	Total funds 2024 £
Ram Sales	118,000	-	**118,000**	116,124
Sheep Farmer Advertising	108,909	-	**108,909**	118,003
Other Charitable Income	28,659	2,603	**31,262**	33,519
Sustainable Control of Parasites in Sheep	5,390	-	**5,390**	8,325
Membership Services	361,687	-	**361,687**	368,630
Defra Sheep Efficiency	-	-	**-**	4,050
Low Methane Sheep	-	5,951	**5,951**	8,574
Fabulous Fibre	-	-	**-**	10,925
BHS Meat Traceability	-	14,760	**14,760**	-
Lamb Monitor Project	-	3,000	**3,000**	-
LUNZ Grassland Resilience	-	10,533	**10,533**	-
AFN Crucible	-	1,900	**1,900**	-
	622,645	38,747	**661,392**	668,150
TOTAL 2024	644,514	23,636	668,150	

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2025 £	**Total funds 2025 £**	Total funds 2024 £
Fundraising events	696,550	**696,550**	551,444
TOTAL 2024	551,444	551,444	

7. INVESTMENT INCOME

	Unrestricted funds 2025 £	**Total funds 2025 £**	Total funds 2024 £
Rental income	21,717	**21,717**	15,496
Investment income	34,315	**34,315**	37,095
Interest receivable	4,222	**4,222**	4,813
	60,254	**60,254**	57,404
TOTAL 2024	57,404	57,404	

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2025 £	**Total funds 2025 £**	Total funds 2024 £
Other income	3,819	**3,819**	5,025
Promotional items	5,387	**5,387**	3,742
P & O Booking Service	-	**-**	358
	9,206	**9,206**	9,125
TOTAL 2024	9,125	9,125	

9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total 2025 £**	Total 2024 £
Breeding Improvement Other Costs	83,925	-	**83,925**	68,060
Membership Services and Enquiries	219,660	-	**219,660**	222,225
Education and Promotion Other Costs	437,607	27,755	**465,362**	454,912
Fundraising Costs	625,548	-	**625,548**	591,770
	1,366,740	27,755	**1,394,495**	1,336,967
TOTAL 2024	1,323,523	13,444	1,336,967	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2025 £	**Support costs 2025 £**	**Total funds 2025 £**	Total funds 2024 £
Breeding Improvement Other Costs	83,925	-	**83,925**	68,060
Membership Services and Enquiries	6,287	213,373	**219,660**	222,225
Education and Promotion Other Costs	198,303	267,059	**465,362**	454,912
Fundraising Costs	383,509	242,039	**625,548**	591,770
	672,024	722,471	**1,394,495**	1,336,967
TOTAL 2024	624,312	712,655	1,336,967	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Breeding Improvement Other Costs 2025 £	**Membership Services and Enquiries 2025 £**	**Education and Promotion Other Costs 2025 £**	**Fundraising Costs 2025 £**	**Total funds 2025 £**	Total funds 2024 £
SCOPS	-	-	2,570	-	**2,570**	2,495
Sheep Farmer costs	-	-	54,644	-	**54,644**	55,904
Design and printing	-	-	31,678	-	**31,678**	23,147
Next Generation Ambassadors	-	-	10,291	-	**10,291**	19,175
Branding and merchandise	-	-	6,016	-	**6,016**	2,383
Moredun Initiative	-	-	7,500	-	**7,500**	7,500
Regional Secretaries & Officers fees	-	-	53,813	-	**53,813**	60,831
Membership promotion	-	6,287	-	1,925	**8,212**	10,833
Ram sale expenses	78,565	-	-	-	**78,565**	65,688
Storage of semen	5,360	-	-	-	**5,360**	2,061
P & O expenditure	-	-	-	-	**-**	311
Subscriptions for other bodies	-	-	3,636	-	**3,636**	3,008
Awards and donations	-	-	349	-	**349**	3,461
Costs of generating funds	-	-	-	381,584	**381,584**	350,571
Externally funded project costs	-	-	27,755	-	**27,755**	13,755
RoSA project	-	-	51	-	**51**	3,189
	83,925	6,287	198,303	383,509	**672,024**	624,312
TOTAL 2024	68,060	10,154	194,848	351,250	624,312	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Membership Services and Enquiries 2025 £	**Education and Promotion Other Costs 2025 £**	**Fundraising Costs 2025 £**	**Total funds 2025 £**	Total funds 2024 £
Staff costs	146,139	112,040	170,496	**428,675**	430,367
Depreciation and Amortisation	10,600	5,472	5,472	**21,544**	23,692
Printing, Photocopying, Postage & Stationary	11,149	13,004	13,007	**37,160**	38,865
General Office Expenses	2,328	2,716	2,716	**7,760**	1,721
Telephone, Computer & Website	8,331	9,720	9,720	**27,771**	24,074
Travel Expenses & Subsistence	20,437	23,843	23,843	**68,123**	53,519
Rates, Utilities & Insurance	7,368	8,595	8,595	**24,558**	22,255
Property Repairs	2,591	3,022	3,022	**8,635**	8,050
Legal & Professional	558	650	650	**1,858**	15,496
Accountancy	715	834	834	**2,383**	2,966
Bank Charges	2,512	2,930	2,930	**8,372**	8,849
Bad Debts	645	754	754	**2,153**	3,009
Governance - Audit Fees	-	14,625	-	**14,625**	13,500
Governance - Staff Costs	-	58,455	-	**58,455**	59,933
Board and AGM Meeting Costs	-	10,399	-	**10,399**	6,359
	213,373	267,059	242,039	**722,471**	712,655
TOTAL 2024	212,071	260,064	240,520	712,655	

11. AUDITORS' REMUNERATION

The auditors' remuneration amounts to an auditor fee of £14,625 (2024 - £13,500).

12. STAFF COSTS

	2025 £	2024 £
Wages and salaries	**368,702**	373,170
Social security costs	**33,681**	30,902
Contribution to defined contribution pension schemes	**26,292**	26,295
Wages and salaries included within governance	**58,456**	59,933
	487,131	490,300

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

	2025 No.	2024 No.
Employees	**20**	18

The average headcount expressed as full-time equivalents was:

	2025 No.	2024 No.
Employees	**12**	12

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

	2025 No.	2024 No.
In the band £80,001 - £90,000	**1**	1

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

	2025 No.	2024 *No.*
Regional Secretaries and Officers	**9**	9
Ram Sales Secretaries and Officers	**3**	3
Regional Event Managers	**4**	4
	16	16

12. STAFF COSTS (CONTINUED)

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

	2025	2024
	£	£
Regional Secretaries and Officers	**56,268**	39,958
Ram Sales Secretaries and Officers	**34,350**	28,750
Regional Event Managers	**23,625**	21,240

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 December 2025, expenses totaling £10,943 were reimbursed or paid directly to 10 Trustees (2024 - £7,216 to 8 Trustees), of which £200 (2024: £NIL) remained outstanding at the year end.

14. INTANGIBLE ASSETS

	Website Development	**Computer software**	**Total**
	£	**£**	**£**
COST			
At 1 January 2025	**15,847**	**13,707**	**29,554**
At 31 December 2025	**15,847**	**13,707**	**29,554**
AMORTISATION			
At 1 January 2025	**3,169**	**5,483**	**8,652**
Charge for the year	**3,170**	**2,741**	**5,911**
At 31 December 2025	**6,339**	**8,224**	**14,563**
NET BOOK VALUE			
At 31 December 2025	**9,508**	**5,483**	**14,991**
At 31 December 2024	12,678	8,224	20,902

15. TANGIBLE FIXED ASSETS

	Freehold property £	Royal Welsh Pavillion £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION					
At 1 January 2025	**147,266**	**45,492**	**81,153**	**23,133**	**297,044**
Additions	**46,548**	**-**	**5,357**	**5,782**	**57,687**
Disposals	**-**	**(45,492)**	**-**	**(6,520)**	**(52,012)**
At 31 December 2025	**193,814**	**-**	**86,510**	**22,395**	**302,719**
DEPRECIATION					
At 1 January 2025	**57,738**	**39,489**	**67,883**	**17,615**	**182,725**
Charge for the year	**8,704**	**-**	**3,387**	**3,543**	**15,634**
On disposals	**-**	**(39,489)**	**-**	**(6,520)**	**(46,009)**
At 31 December 2025	**66,442**	**-**	**71,270**	**14,638**	**152,350**
NET BOOK VALUE					
At 31 December 2025	**127,372**	**-**	**15,240**	**7,757**	**150,369**
At 31 December 2024	89,528	6,003	13,270	5,518	114,319

16. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2025	**447,000**
Additions	**33,181**
At 31 December 2025	**480,181**

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

17. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Total £
COST OR VALUATION			
At 1 January 2025 (as previously stated)	**923,342**	**595,559**	**1,518,901**
Prior year adjustment	**(51,000)**	**-**	**(51,000)**
At 1 January 2025 (as restated)	**872,342**	**595,559**	**1,467,901**
Additions	**-**	**167,963**	**167,963**
Disposals	**-**	**(166,739)**	**(166,739)**
Revaluations	**83,977**	**(23,249)**	**60,728**
AT 31 DECEMBER 2025	**956,319**	**573,534**	**1,529,853**
NET BOOK VALUE			
AT 31 DECEMBER 2025	**956,319**	**573,534**	**1,529,853**
AT 31 DECEMBER 2024 (AS RESTATED)	872,342	595,559	1,467,901

During the year it was identified that investment additions included in the prior year had been recognised in error. The impact of this has been detailed in note 21.

18. STOCKS

	2025 £	2024 £
Goods for resale	**2,751**	2,825

19. DEBTORS

	2025 £	2024 £
DUE WITHIN ONE YEAR		
Trade debtors	**53,280**	113,083
Other debtors	**5,625**	7,774
Prepayments and accrued income	**76,491**	54,424
	135,396	175,281

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	**50,186**	45,867
Other taxation and social security	**16,743**	27,479
Other creditors	**20,459**	15,867
Accruals and deferred income	**246,171**	288,171
	333,559	377,384

21. PRIOR YEAR ADJUSTMENTS

During the year it was identified that investment additions included in the prior year had been recognised in error. As a result, the value of investments at 31 March 2024 was overstated by £51,000. The comparative figures have been restated and opening fund balances have been reduced by £51,000 to correct this error.

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2025 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2025 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Central Region	10,033	4,960	(5,464)	(1,800)	-	7,729
Cymru Region	217,524	156,622	(88,606)	(1,800)	(8,400)	275,340
Eastern Region	30,325	9,445	(7,395)	(1,800)	(1,470)	29,105
Marches Region	12,251	3,405	(3,744)	1,200	-	13,112
Northern Region	72,257	221,141	(122,372)	(1,800)	-	169,226
Northern Ireland Region	45,003	37,919	(31,221)	(1,800)	(957)	48,944
Scottish Region	125,862	115,007	(127,384)	(1,800)	223	111,908
South East Region	18,330	5,010	(3,275)	(1,800)	-	18,265
South West Region	19,387	96,864	(82,189)	(1,800)	-	32,262
South West Ram Sales	79,982	3,580	(3,310)	(500)	7,526	87,278
W & B Ram Sales	145,682	134,069	(135,222)	-	(4,787)	139,742
	776,636	788,022	(610,182)	(13,700)	(7,865)	932,911
GENERAL FUNDS						
General Funds	1,399,035	674,563	(756,558)	13,700	68,593	1,399,333
Revaluation reserve	107,024	-	-	-	-	107,024
	1,506,059	674,563	(756,558)	13,700	68,593	1,506,357
TOTAL UNRESTRICTED FUNDS	2,282,695	1,462,585	(1,366,740)	-	60,728	2,439,268

22. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 January 2025 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2025 £
RESTRICTED FUNDS						
British Heritage Sheep	1,613	(427)	(80)	-	-	1,106
Fabulous Fibre	4,215	-	-	-	-	4,215
Low Methane Sheep	1,786	5,951	(5,875)	-	-	1,862
DEFRA Sheep Efficiency	3,763	-	-	-	-	3,763
AFN Crucible	-	1,900	(697)	-	-	1,203
BHS Meat Traceability	-	14,760	(8,892)	-	-	5,868
Forage for CH4nge	-	2,990	(2,465)	-	-	525
LUNZ Grassland Resilience	-	10,533	(9,690)	-	-	843
Lamb Monitor Project	-	3,000	(56)	-	-	2,944
Other Projects	-	5,096	-	-	-	5,096
	11,377	43,803	(27,755)	-	-	27,425
TOTAL OF FUNDS	2,294,072	1,506,388	(1,394,495)	-	60,728	2,466,693

22. STATEMENT OF FUNDS (CONTINUED)

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

Fabulous Fibre (Ended Sep 2024)
NSA joined with British Wool, the Centre for Excellence in Livestock (CIEL), Langrish Farmers and the Wool Testing Authority Europe (WTAE) for the project. This was a twelve-month project, aiming to increase value of wool through breeding and genetics. The goal is to conduct a feasibility study to evaluate the potential of reducing micron count of finer wool quality UK sheep breeds to increase productivity, sustainability and resilience for sheep farmers and the wool industry. This is measured by testing wool fibres to establish a micron value. Lower values are softer to the touch and more highly valued for making high-quality suits or layers worn next to skin and resulting in greater the value per kilogram. NSA was responsible for project managing, as well as sharing knowledge gained.

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

Breed for CH4nge – Breeding Low Methane Sheep Project (Jul 2023 – Jun 2026)
NSA is working with industry partners to breed low methane producing sheep, helping sheep farmers make a positive contribution to UK agriculture's journey towards net zero. The project runs from July 2023 for three years, following a total award of £2.9m from Defra's Farming Innovation Programme, which is being shared between collaborative entities. The project is being led by sheep genetics company Innovis and will measure methane emissions from a total of 13,500 sheep in 45 flocks, to collect data and build tools to genetically reduce methane emissions and improve the efficiency of the national flock.

Forage for CH4nge Project (Oct 2024 – Mar 2026)
In a related project NSA is working with industry partners to investigate methane emissions from upland sheep grazing natural forage and compare emissions between native and crossbred sheep. Vegetation surveys will be carried out on improved grassland, species-rich grassland and moorland and then the methane emissions from individual sheep on these different types of forage will be measured to be able to compare emissions by sheep breed and forage type. This will help identify practical mitigation strategies suited to upland grazing systems.

BHS Meat Traceability System (Apr 2025 – Mar 2026)
The BHS Meat Traceability Project is being led by NSA to help establish whether sheep breed, age and grazing location can be identified from meat samples using emerging technology. Selected farmers will be asked to collect lamb, hogget and mutton samples from specific heritage breeds and locations. These samples will be analysed using mass spectrometry to identify chemical 'fingerprints' and to assess whether age, breed, diet and origin of the meat samples can be reliably identified. Defra and other scientific committees will be involved in reviewing the findings and assessing whether there is potential to establish a commercially viable traceability system in light of the findings.

Land Use for Net Zero (LUNZ) Grassland Resilience Project (Aug 2024 – Jul 2027)
The aim of this project is to optimise grassland use to deliver net zero, improved soil health, biodiversity and resilience in farm businesses. The project will use the Global Farm Metric to assess farm sustainability and carbon performance and aims to identify optimal mitigation and adaptation strategies for grassland systems. It will assess the trade-offs between net zero, food production, conservation and wellbeing and will aim to demonstrate the benefits of mixed farming.

22. STATEMENT OF FUNDS (CONTINUED)

Lamb Monitor Project
This project is about developing field-based automated systems to measure and monitor lamb growth. It is funded through a £430,000 grant from Defra and Innovate UK and is being led by David Ritchie Agriculture in collaboration with Agri-EPI Centre. The aim is to design new equipment to measure and monitor lamb performance, reduce labour and protect lamb welfare during the weighing process. Three different designs of equipment are to be tested, with a walk-over weigher, creep feed attractant and climb on platform (designed to utilise a lamb's play instinct), with a data-handling app also being developed alongside, which will work with all three designs.

AFN Crucible
NSA was awarded funding by the AFN (Agri-Food for Net Zero) Network+ Crucible. This is an annual facilitated workshop designed to bring together researchers, industry experts, and stakeholders to tackle net-zero challenges in the agri-food sector. It primarily acts as an incubator for professionals to develop project ideas and apply for scoping study grants. Participating teams use the Crucible to develop project proposals for AFN Network+ funding to support their net-zero research and practical applications. Those involved range from academic researchers (soil scientists, agroecologists, etc.) to industry professionals and food system stakeholders. This funding allowed NSA to survey farmers to establish what prevented them from adopting net zero initiatives.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	As restated Gains/ (Losses) £	Balance at 31 December 2024 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Central Region	9,575	6,204	(3,946)	(1,800)	-	10,033
Cymru Region	282,727	6,608	(76,320)	(1,800)	6,310	217,525
Eastern Region	31,471	5,475	(4,821)	(1,800)	-	30,325
Marches Region	12,981	810	(2,840)	1,300	-	12,251
Northern Region	84,331	9,257	(19,531)	(1,800)	-	72,257
Northern Ireland Region	53,112	4,180	(15,489)	3,200	-	45,003
Scottish Region	56,034	219,198	(149,071)	(300)	-	125,861
South East Region	14,508	10,858	(5,236)	(1,800)	-	18,330
South West Region	25,487	900	(5,200)	(1,800)	-	19,387
South West Ram Sales	75,895	3,773	(3,264)	(500)	4,078	79,982
W & B Ram Sales	138,949	132,964	(128,440)	-	2,209	145,682
	785,070	400,227	(414,158)	(7,100)	12,597	776,636

22. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	As restated Gains/ (Losses) £	Balance at 31 December 2024 £
GENERAL FUNDS						
General Funds	1,156,160	895,777	(909,365)	63,042	193,421	1,399,035
Revaluation reserve	105,000	-	-	-	2,024	107,024
	1,261,160	895,777	(909,365)	63,042	195,445	1,506,059
TOTAL UNRESTRICTED FUNDS	2,046,230	1,296,004	(1,323,523)	55,942	208,042	2,282,695

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	As restated Gains/ (Losses) £	Balance at 31 December 2024 £
RESTRICTED FUNDS						
British Heritage Sheep	1,852	87	(326)	-	-	1,613
Fabulous Fibre	(453)	10,925	(6,257)	-	-	4,215
Low Methane Sheep	(214)	8,574	(6,574)	-	-	1,786
RDPE	28,820	-	-	(28,820)	-	-
Erasmus	14,372	-	-	(14,372)	-	-
Welsh Government Grant	12,750	-	-	(12,750)	-	-
DEFRA Sheep Efficiency	-	4,050	(287)	-	-	3,763
	57,127	23,636	(13,444)	(55,942)	-	11,377
TOTAL OF FUNDS	2,103,357	1,319,640	(1,336,967)	-	208,042	2,294,072

23. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2025 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2025 £
Designated funds	**776,636**	**788,022**	**(610,182)**	**(13,700)**	**(7,865)**	**932,911**
General funds	**1,506,059**	**674,563**	**(756,558)**	**13,700**	**68,593**	**1,506,357**
Restricted funds	**11,377**	**43,803**	**(27,755)**	**-**	**-**	**27,425**
	2,294,072	**1,506,388**	**(1,394,495)**	**-**	**60,728**	**2,466,693**

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	As restated Gains/ (Losses) £	Balance at 31 December 2024 £
Designated funds	785,070	400,227	(414,158)	(7,100)	12,597	776,636
General funds	1,261,160	895,777	(909,365)	63,042	195,445	1,506,059
Restricted funds	57,127	23,636	(13,444)	(55,942)	-	11,377
	2,103,357	1,319,640	(1,336,967)	-	208,042	2,294,072

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	150,369	-	**150,369**
Intangible fixed assets	14,991	-	**14,991**
Fixed asset investments	1,529,853	-	**1,529,853**
Investment property	480,181	-	**480,181**
Current assets	597,433	27,425	**624,858**
Creditors due within one year	(333,559)	-	**(333,559)**
TOTAL	2,439,268	27,425	**2,466,693**

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	114,319	-	114,319
Intangible fixed assets	20,902	-	20,902
Fixed asset investments	1,467,901	-	1,467,901
Investment property	447,000	-	447,000
Current assets	609,957	11,377	621,334
Creditors due within one year	(377,384)	-	(377,384)
TOTAL	2,282,695	11,377	2,294,072

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

	2025 £	As restated 2024 £
Net income for the year (as per Statement of Financial Activities)	**172,621**	37,457
ADJUSTMENTS FOR:		
Depreciation charges	**15,634**	17,781
Amortisation charges	**5,911**	5,911
Dividends, interests and rents from investments	**(60,254)**	(57,404)
Loss on the sale of fixed assets	**6,003**	2,443
Decrease in stocks	**74**	99
Decrease/(increase) in debtors	**39,885**	(62,439)
Increase/(decrease) in creditors	**(43,825)**	127,005
Revaluation of fixed asset investments	**(60,728)**	(110,248)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	**75,321**	(39,395)

26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025 £	2024 £
Cash in hand	**486,711**	443,228
TOTAL CASH AND CASH EQUIVALENTS	**486,711**	443,228

27. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2025 £	Cash flows £	At 31 December 2025 £
Cash at bank and in hand	**443,228**	**43,483**	**486,711**

28. PENSION COMMITMENTS

The Charitable Company makes contributions, as part of an employee's contract of employment, which are payable to defined contribution schemes chosen by the employer. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £26,292 (2024: £26,295). Contributions totaling £NIL (2024: £NIL) were receivable to the fund at the Balance Sheet date and are included in debtors.

29. OPERATING LEASE COMMITMENTS

At 31 December 2025 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	2024 £
Not later than 1 year	**1,446**	2,733
Later than 1 year and not later than 5 years	**840**	755
	2,286	3,488

30. RELATED PARTY TRANSACTIONS

During the year, £160 (2024: £NIL) was received from Trustees. At the year end £NIL (2024: £NIL) was due from these Trustees.

During the year, £270 (2024: £60,088) was paid to companies with directors in common control. At the year end £NIL (2024: £NIL) was due to these companies.

During the year, £14,040 (2024: £9,871) was received from companies with directors in common control. At the year end £1,130 (2024: £NIL) was due from these companies.

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