



**NATIONAL SHEEP ASSOCIATION**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**NATIONAL SHEEP ASSOCIATION  
(A COMPANY LIMITED BY GUARANTEE)**

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**NATIONAL SHEEP ASSOCIATION  
(A COMPANY LIMITED BY GUARANTEE)**

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

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

**NATIONAL SHEEP ASSOCIATION  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**Solicitors**

Roythornes  
Enterprise Way  
Pinchbeck  
Spalding  
Lincolnshire  
PE11 3YR

**Investment advisors**

Rathbones  
George House  
50 George Square  
Glasgow  
G2 1EH



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

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

**Objectives and activities**

**a. Summary of objectives and activities.**

The charitable object of NSA is 'to encourage and improve breeding, management and promotion of sheep as a species and as an activity in the UK and elsewhere in pursuit of advancing education, health, heritage, science, environmental protection and improvement and animal welfare for the public benefit'. There have been no material changes in the association's pursuance of its objects, in that NSA takes a broad interpretation of 'promotion of the activity' to encompass the setting up of private and public dialogue with organisations and individuals whose vested interests might affect beneficially or adversely the sheep industry.

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

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

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

**b. Main objectives for the year.**

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

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

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**c. Main aims and significant activities for achieving objectives.**

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

**d. Volunteers**

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

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

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

**Achievements and performance**

**a. Main achievements of the Company.**

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

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

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

**b. Key performance indicators.**

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



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

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

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

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

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

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

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

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**Financial review**

**a. Overview.** The financial position at the end of 2023 shows an increase over 2022, with the total closing reserves at £2,138,357 (2022 £1,922,868), an increase in funds of 7.3%. The increase of £145,489 comprises a strong operating contribution of £85,966 together with an increase in investments of £59,523. This provides a secure basis for managing the varying cashflows that result from the two-year cycle of events.

The annual operating contribution has averaged £120,490 over the two-year cycle of 2022 and 2023, this provides a sound basis for supporting the varied activities of NSA across the coming years. NSA maintained a flexible balance between investments and working capital, as shown on page 18. NSA has a number of strong income streams, in particular from membership subscriptions, which means the association is not solely reliant on event income to support its activities. This income spread is illustrated on page 26 and the supporting notes.

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

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

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

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

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

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

**Structure, governance and management**

**a. Constitution.** During 2022 NSA was a Company Limited by Guarantee governed by its Memorandum and Articles of Association dated 21<sup>st</sup> December 1892 and most recently amended at the 2015 AGM to allow for current governance. NSA is registered as a Private Company Limited by Guarantee without share capital and is a Registered Charity. In the event of the association being wound up members may be required to contribute a sum not exceeding £1. If members approve it, NSA is looking to amend the Articles of Association at the AGM in August 2024 – to provide clarity on the role of the Chair and create provision for a Vice Chair to be elected in the final year of the Chair's three-year term.

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

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

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

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



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

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

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

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

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

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

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

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

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

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**Statement of Trustee' responsibilities**

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

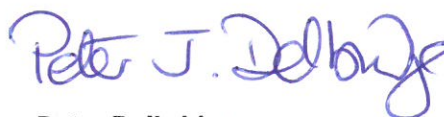
- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors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

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

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



**David Gregory**  
Treasurer



**Peter Delbridge**  
Chair



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

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**OPINION**

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

**NATIONAL SHEEP ASSOCIATION  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**OTHER INFORMATION**

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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

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

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**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

- Revenue recognition; and
- Accounting estimates.

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

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

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

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

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Audit response to risks identified:

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

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

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

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

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

**NATIONAL SHEEP ASSOCIATION  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**USE OF OUR REPORT**

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

**Andrew Wood FCCA (Senior statutory auditor)**

for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
1-3 College Yard  
Worcester  
WR1 2LB

Date:

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

**NATIONAL SHEEP ASSOCIATION**  
(A COMPANY LIMITED BY GUARANTEE)

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

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

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

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

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

**BALANCE SHEET  
AS AT 31 DECEMBER 2023**

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



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

**BALANCE SHEET (CONTINUED)  
AS AT 31 DECEMBER 2023**

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

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

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

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

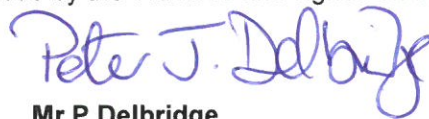
The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



**Mr D Gregory**  
Treasurer

Date: 17.7.24



**Mr P Delbridge**  
Chair

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



**NATIONAL SHEEP ASSOCIATION  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

The notes on pages 20 to 43 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 2023**

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**1. GENERAL INFORMATION**

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

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

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

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

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

**2.2 GOING CONCERN**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. ACCOUNTING POLICIES (continued)**

**2.3 INCOME**

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

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

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

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

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

**2.4 EXPENDITURE**

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

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

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

**2.5 INTANGIBLE ASSETS AND AMORTISATION**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. ACCOUNTING POLICIES (continued)**

**2.5 INTANGIBLE ASSETS AND AMORTISATION (CONTINUED)**

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

Amortisation is provided on the following basis:

Computer software	- 20 % Straight line basis
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**2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

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

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

Depreciation is provided on the following bases:

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

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

**2.7 INVESTMENTS**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. ACCOUNTING POLICIES (continued)**

**2.8 STOCKS**

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

**2.9 DEBTORS**

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

**2.10 CASH AT BANK AND IN HAND**

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

**2.11 LIABILITIES AND PROVISIONS**

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

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

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

**2.12 FINANCIAL INSTRUMENTS**

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

**2.13 OPERATING LEASES**

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

**2.14 PENSIONS**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. ACCOUNTING POLICIES (continued)**

**2.15 FUND ACCOUNTING**

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

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

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

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

**3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

**Estimated useful lives of tangible fixed assets**

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

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

Critical areas of judgment:

**Investment property valuation**

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

**Deferred subscription income**

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

**NATIONAL SHEEP ASSOCIATION  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**4. INCOME FROM DONATIONS AND LEGACIES**

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

**5. INCOME FROM CHARITABLE ACTIVITIES**

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

**NATIONAL SHEEP ASSOCIATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. INCOME FROM OTHER TRADING ACTIVITIES**

**Income from non charitable trading activities**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Fundraising events	544,805	<b>544,805</b>	501,131
TOTAL 2022	501,131	501,131	

**7. INVESTMENT INCOME**

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

**8. OTHER INCOMING RESOURCES**

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



**NATIONAL SHEEP ASSOCIATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

**Summary by fund type**

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

**10. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

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

**NATIONAL SHEEP ASSOCIATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**ANALYSIS OF DIRECT COSTS**

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

**NATIONAL SHEEP ASSOCIATION  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**ANALYSIS OF SUPPORT COSTS**

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

**11. AUDITORS' REMUNERATION**

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

**NATIONAL SHEEP ASSOCIATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. STAFF COSTS**

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

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

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Employees	<b>15</b>	15

The average headcount expressed as full-time equivalents was:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Employees	<b>11.3</b>	10.6

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

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
In the band £80,001 - £90,000	<b>1</b>	1

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

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Regional Secretaries and Officers	<b>9</b>	11
Ram Sales Secretaries and Officers	<b>3</b>	3
Regional Event Managers	<b>4</b>	2
	<b>16</b>	16

**NATIONAL SHEEP ASSOCIATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**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:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Regional Secretaries and Officers	<b>37,998</b>	30,399
Ram Sales Secretaries and Officers	<b>30,794</b>	27,700
Regional Event Managers	<b>29,500</b>	11,000
	<u><b>98,292</b></u>	<u><b>69,100</b></u>

**13. TRUSTEES' REMUNERATION AND EXPENSES**

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

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

**14. INTANGIBLE ASSETS**

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

**NATIONAL SHEEP ASSOCIATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**15. TANGIBLE FIXED ASSETS**

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

**16. INVESTMENT PROPERTY**

	Freehold investment property £
<b>VALUATION</b>	
At 1 January 2023	490,000
Revaluation	(35,000)
At 31 December 2023	455,000

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

**NATIONAL SHEEP ASSOCIATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. FIXED ASSET INVESTMENTS**

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

**18. STOCKS**

	<b>2023 £</b>	<b>2022 £</b>
Goods for resale	<b>2,924</b>	2,949

**NATIONAL SHEEP ASSOCIATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**19. DEBTORS**

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

**20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

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



**NATIONAL SHEEP ASSOCIATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**21. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

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

**NATIONAL SHEEP ASSOCIATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**21. STATEMENT OF FUNDS (CONTINUED)**

**RESTRICTED  
FUNDS**

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

**21. STATEMENT OF FUNDS (CONTINUED)**

**British Heritage Sheep Project**

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

**Fabulous Fibre**

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

**Breed for CH4nge – Breeding Low Methane Sheep Project**

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

**RoSA (Register of Sheep Advisers)**

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

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

**RDPE Countryside Productivity Scheme Project to Tackle Sheep Scab**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. STATEMENT OF FUNDS (CONTINUED)**

**E-Organic Erasmus Project**

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

**Welsh Government grant**

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

**STATEMENT OF FUNDS - PRIOR YEAR**

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

**NATIONAL SHEEP ASSOCIATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**21. STATEMENT OF FUNDS (CONTINUED)**

**STATEMENT OF FUNDS - PRIOR YEAR (CONTINUED)**

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
<b>TOTAL UNRESTRICTED FUNDS</b>	1,763,379	1,281,118	(1,160,012)	10,004	43,287	1,937,776
	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
<b>RESTRICTED FUNDS</b>						
British Heritage Sheep	1,102	-	-	-	-	1,102
iSage	-	10,327	-	(10,327)	-	-
RoSA	-	-	(323)	323	-	-
RDPE	-	66,375	(32,602)	-	-	33,773
Erasmus	20,086	130	(9,999)	-	-	10,217
Welsh Government Grant	10,000	-	-	-	-	10,000
	31,188	76,832	(42,924)	(10,004)	-	55,092
<b>TOTAL OF FUNDS</b>	1,794,567	1,357,950	(1,202,936)	-	43,287	1,992,868

**NATIONAL SHEEP ASSOCIATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**22. SUMMARY OF FUNDS**

**SUMMARY OF FUNDS - CURRENT YEAR**

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

**SUMMARY OF FUNDS - PRIOR YEAR**

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

**NATIONAL SHEEP ASSOCIATION  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

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

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

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

**NATIONAL SHEEP ASSOCIATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

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

**25. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
Cash in hand	<b>473,597</b>	588,327
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>473,597</b>	588,327

**26. ANALYSIS OF CHANGES IN NET DEBT**

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



**NATIONAL SHEEP ASSOCIATION  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**27. PENSION COMMITMENTS**

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

**28. OPERATING LEASE COMMITMENTS**

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

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

**29. RELATED PARTY TRANSACTIONS**

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

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

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

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

**30. POST BALANCE SHEET EVENTS**

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

