

Registered number: 00037818  
Charity numbers: 249255 and SC042853



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

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



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

**CONTENTS**

---

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

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

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

---

<b>Trustees</b>	Mr D Gregory Mr A Barr (resigned 18 March 2021) Mr E Thomas Mr J Geldard Ms A McFadzean Mr H Dunn Mr D Phipps Mr T Ward Mr P Myles Mr P Delbridge Mr J Farmer Ms K Hovers (appointed 29 April 2021) Mr B Griffiths (resigned 21 January 2021) Mr C Lewis (resigned 13 August 2020) Mr J Wozencraft (resigned 29 April 2020) Dr Y P Le Du (appointed 18 March 2021) Mr A Foulds (appointed 18 March 2021) Mr C Sercombe (appointed 18 March 2021)
<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 2020**

---

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

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

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

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

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

**Objectives and activities**

**a. Summary of objectives and activities**

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

There have been no material changes in the Association's pursuance of its objects in that NSA takes a broad interpretation of 'promotion of the activity' to encompass the setting up of private and public dialogue with organisations whose vested interests might affect beneficially or adversely the sheep industry. To this extent it engages in communication with representatives from various sectors including sheep health, welfare, genetic development, conservation and the environment, and supply chains. It is also involved on a regular basis in informing Government and non-Governmental organisations of the effect of their policies on the sheep sector. NSA promotes the principle of a supportive policy and regulatory regime that will allow the industry to thrive and sheep and sheep farming to continue to provide benefits to the environment, local economies and rural infrastructure. NSA also encourages sheep farmers to improve the breeding and management of their sheep, in pursuance of our objectives. Specifically for younger sheep farmers, NSA has specific activities to attract and retain young people into the industry, equipping them to be forward-thinking farmers but also young leaders through the NSA Next Generation programme.

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

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

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Objectives and activities (CONTINUED)**

**b. Main objectives for the year**

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

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

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

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

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

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

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Objectives and activities (CONTINUED)**

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

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

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

None of these achievements would have been possible without the help of NSA members who give up their time, free of charge, for the benefit of sheep farmers. The Trustees take this opportunity to record their sincere thanks to all who have contributed in any way to the Association and the sheep industry during 2020 and since. NSA is very grateful for their commitment to the Association, especially given the impact Covid-19 has had on every aspect of life, not least the activities of NSA.

**Achievements and performance**

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Achievements and performance (CONTINUED)**

**a. Main achievements of the Company**

In addition to meeting its objectives, NSA made a number of key achievements in 2020. In a year where Covid-19 impacted every aspect of society and the UK left the European Union, it was a major achievement for NSA to not only continue its everyday function but also deliver specific Brexit activities to support its members. It was a notable achievement to continue the breadth and depth of topics on which NSA has compiled a considered view and conveyed it to appropriate bodies and the public, particularly given the rapidly changing political situation throughout 2020.

Another key achievement, over and above the organisation's objectives, was establishing British Heritage Sheep as a standalone company, wholly owned by NSA. The intention of British Heritage Sheep is to differentiate and raise the profile of products from British heritage sheep breeds by highlighting their particular role in managing the environment, iconic landscapes and rural communities. Separate to this, the opportunity was also taken for NSA to be instrumental in creating a new Global Sheep Producers Forum, working with other nations including Canada, New Zealand and Australia. The main work to date has been to establish the foundations of the forum, to draft a general narrative on the subject of sheep farming, and to explore initiatives to support young leaders.

Throughout 2020, NSA continued to discuss the need for quality advice for sheep farmers, particularly given the likelihood of new and potentially more complicated support schemes in the future. NSA is of the opinion that farmers should not be legislated to take external advice but should have access to it where appropriate for their business needs. With this in mind, conversations were initiated around a register that provides a qualification for sheep consultants and tracks their continued professional development to maintain and development standards for the sector. The result was the launch of the Register of Sheep Advisers (RoSA) in June 2021.

**b. Key performance indicators**

The top three KPIs for NSA are membership numbers, the financial stability of the organisation and staff satisfaction and retention. Performance in these areas was strong in 2020, with membership remaining stable and finances being sound. After several years of growth, staff capacity has stabilised with all staff having clear job descriptions, annual appraisals and an improved, and more resilient, management structure.

NSA also considers a number of sub-KPIs.

- Relationships with breed societies remain strong, with more than 80 breed societies choosing to be affiliated to NSA in 2020.
- Attitudes to sheep in marginal areas remain varied, but NSA continues to successfully raise the profile of this, particularly within post-Brexit land management discussions.
- Numbers of registered sheep keepers and sheep numbers remain difficult to pin down, due to the way statistics are held by Defra and others, but the national flock continues to be stable, which suggests the sheep sector continues to be healthy.

**c. Review of activities**

As part of the continual transfer of information from all parts of the Association to the Trustees, an Activities Report is produced for each Board meeting which details all the activities, policy work, membership figures as well as governance matters from the preceding quarter. These reports are available at [www.nationalsheep.org.uk/about/nsa-governance](http://www.nationalsheep.org.uk/about/nsa-governance) and give a much fuller picture of the day-to-day functioning of the Association than can be covered in the formal Trustees Annual Report. The information contained is up to date to the nearest end of quarter period.

**d. Factors relevant to achieve objectives**

This list covers some of the topics NSA has been involved in that ensured organisational objectives were achieved and performance was to a high standard throughout the year.



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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Achievements and performance (CONTINUED)**

- Brexit negotiations were one of the most important areas in which to convey sheep industry views to appropriate bodies and the public. Continuing dialogue with Government representatives and members in all devolved nations was a main aim for the year, specifically around the special case for sheep meat within trade negotiations and the importance of the recognising the multiple outputs of sheep farming in the development of domestic agricultural, environmental and food related policy. It has been an achievement to engage regularly and effectively with policy development using the Association's vision and experience. Engagement has included, but is not limited to, a newly established Environmental Land Management Scheme (ELMS) Pathway group (to develop post Brexit environmental scheme for farmers) and the Traceability Design User Group (to ensure effective livestock movement tracing for food supply chains).
- Continuing participation in an increasingly effective and expanding coalition of livestock industry organisations to share knowledge and positions relating to Brexit has been a notable achievement, offering a point of knowledgeable support to Ministers on issues such as trade, farm support, labour and regulation. This has been via routes including the Brexit Livestock Chain Advisory Group and Farming Brexit Roundtable.
- Popular but largely uninformed promotion of agendas to reduce red meat consumption and turn areas of the countryside over to 'rewilding' has been an increasingly important area of activity for NSA. Conveying sheep industry views to appropriate bodies and the public is particularly important in these areas, sharing information around the role of red meat in healthy diets, and the integrated nature of the environment and sustainable sheep farming. NSA continues to promote the economic, social and environmental importance of sheep, particularly in the uplands, to maintain rural communities, rural businesses and environmental diversity. The Association also uses this knowledge and understanding to defend the environmental position of sheep and sheep farming in other areas. Being consulted with on the release of white tailed sea eagles on the Isle of White has been a notable achievement, as it has ensured the opinions of sheep farmers have been considered throughout the project, which has not been true of previous release programmes in other parts of the UK.
- NSA continues to explore opportunities presented by Brexit to reconsider industry regulation and where 'red tape' could potentially be removed within domestic legislation to reduce the bureaucratic burden on sheep farmers without threatening food safety or trade opportunities.
- An ongoing area of achievement for NSA is increased dialogue with the public, police forces and canine organisations to highlight the seriousness of dog attacks on sheep. This has come to the fore in 2020 due to increased dog ownership and an increased presence of dog walkers in the countryside, as one of the few activities available to the public during lockdown. Awareness raising is via social media, campaign work and involvement in forums exploring opportunities to strengthen legislation in this area.

Other than our programme of national/regional events and activities, the NSA Next Generation programme was perhaps hardest hit by Covid 19 in 2020. However, NSA has maintained activity to support young people entering the sheep sector, particularly in terms of encouraging more match making opportunities, providing mentoring information and helping young people find employment and work experience opportunities.

Two important NSA Next Generation events happened early in 2020. The NSA Samuel Wharry Memorial Award for the Next Generation awarded two £2,750 travel bursaries funded by NSA and the Company of Merchants of the Staple of England to support young people (under the age of 35) in a study trip and written report in 2019/20 to explore the application of science in sheep production. Both recipients were able to complete their travels before the international travel ban, with their findings shared extensively throughout the year. In addition to the travel bursaries, 2020 commenced with an NSA Next Generation visit to Westminster to meet MPs and Defra officials and a tour of the House of Lords. This was an important addition to the Next Generation programme, to encourage future young leaders for the industry.

The only NSA sheep event to run in 2020 was the NSA Eastern Region Winter Fair, a successful event held at Melton Mowbray Market, Leicestershire, with trade stands, competitions and a comprehensive seminar programme sharing best practice advice for farmers in the region. NSA ram sales continued under strict Covid 19 requirements in the South West and Eastern regions where the numbers of rams presented are relatively small. NSA Wales & Border Early and Main ram sales were cancelled due to the size and scale and difficulties in maintaining social distancing. Instead vendors were catalogued on the ram sale website as a service for

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Achievements and performance (CONTINUED)**

members and vendors and to enable the essential trade in rams for breeding to continue.

**e. Fundraising activities and income generation**

Covid-19 made NSA's usual fundraising activities and income generation hard in 2020. However, a record year for new members joining via the website more than offset the recruitment drives usually held at NSA events. The cancellation of events was a blow to the organisation as a whole, as NSA Sheep Events are an essential part of NSA's offering to its members and the sheep sector, as well as an important income stream. The impact on finances is described in the financial review below.

**f. Investment policy and performance**

The investment policy and performance is described in the Financial review below.

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Financial review**

**a. Overview**

The financial position of the NSA has remained strong throughout the year, and at year end the total reserves were £ 1,715,435 (2019 £ 1,789,703), NSA has maintained a flexible balance between investments and working capital as shown on page 20. This financial flexibility has been a key factor in NSA being able to cope with the particular challenges experienced in 2020.

Despite the loss of event income, the deficit for the year was contained to £ 70,102 (excluding gains/losses on investments), the total deficit was £ 74,268 when these are included. This is equivalent to a 4% reduction in overall funds.

NSA has a number of strong income streams, in particular from membership subscriptions, which means that the Association is not solely reliant on event income to support its activities.

This income spread is illustrated on page 19 and the supporting notes

**b. Going concern**

The NSA Trustees routinely discuss risks and potential risks to the Association. Both Brexit and Covid-19 had the potential to impact negatively on NSA in 2020, Brexit in the case of a potential no deal EU departure affecting sheep trade and viability, and Covid-19 potentially affecting our ability to communicate with members and attract new members at face-to-face events. Membership numbers have been closely monitored and budgets revised and reviewed at regular points through the year. Of particular note is that our membership numbers remain similar to preceding years, with new members now joining on-line and continuing to compensate for those leaving. Although a reduced income is budgeted for 2021 due to the cancellation of events, alternative ways of working with commercial companies is actively being explored as often their products help NSA in achieving its aims and objectives, and savings will be made in expenditure. Expenditure and income across the entire association is being closely monitored. Should income fall below our projections the Association has reserves which can be drawn on if required. There are additional income opportunities committed since our original budget, in the form of funded development and innovation activities (the RDPE sheep scab initiative mentioned earlier and a pan-European organic farming training programme led by a group of Turkish vets). In the absence of the 2021 Sheep Events, NSA regions are planning alternative activities for late summer and autumn. Several of these will attract sponsorship, as well as online activities such as NSA South West Region's virtual Sheep Health, Wealth and Production conference event.

**c. Reserves policy**

The level of free reserves held by the Association at the year-end of 2020 amounted to £1,030,436 (2019 £1,036,918 as restated) of which £602,679 (2019 £473,411) was represented by cash. The majority of this is held in the account of the NSA Regions and Ram Sales and is the equivalent of approximately 11 months of expenditure (not including expenses directly associated with the events). Reserves held in head office are sufficient to cover one month's salary costs and this is felt to be sufficient, as the major costs incurred here are covered by subscription income, which is relatively secure. The Trustees believe that ideally the reserves in the NSA Regions and Ram Sales should be equivalent to 24 months of expenditure as this is the period between the major fundraising events where income is generated. However, they are mindful of problems in the industry over previous years and, therefore, the ideal level will not be attained quickly. The Trustees are comfortable that the overall level of free reserves is appropriate to the Association's circumstances at present. The Trustees feel that the current level of reserves is appropriate for the current work of the Association – this to include headquarters work, regional activities and ram sales. The Trustees feel that the most appropriate investment for the liquid assets of the Association is to use a deposit account to ensure accessibility.

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**d. Investments policy**

The investment with Rathbones is on a medium risk tolerance with the performance viewed in the medium/long term, i.e., 3-5 year cycles. Rathbones has discretion to manage the portfolio based on an investment policy agreed by Trustees, and it reports quarterly to the Board. The disruption to the investment portfolio caused by the Covid-19 in 2020 was reported to the Trustees and the Finance & General Purposes Committee although there has been some recovery in the market since.

**e. Principal risks and uncertainties**

The Directors confirm that the major risks to which the Charity is exposed are regularly reviewed. The transfer of regional accounts to the software used at HQ has led to greater clarity in the accounts and accurate reporting to the Directors.

**f. Fundraising policy**

The Association was registered with the Fundraising Regulator in 2020 and complies with its voluntary regulation scheme. NSA does not use professional fundraisers and does not fundraise through public appeals. We did not receive any complaints about fundraising activities in 2020. The Association's principal funding is through membership subscriptions from people working in the sheep industry, and corporate sponsorship packages for commercial companies wanting to work with NSA. Apart from membership subscriptions, the major fundraising activities are the organisation of business to business NSA Sheep Events, the sale of advertising, and to a much lesser extent, occasional activities such as the purchase of raffle tickets at shows and events. Increasingly we are experiencing opportunities to access grant and statutory funding. This creates opportunities and allows our work to be expanded. It does create problems typical of short term project funding and needs careful management with constant advance preparation to replace project funding when it comes to an end and to work with some staff on flexible and short term contracts. All events and activities have budgets prepared in advance having regard to risks. The content and sponsors of events are chosen by committees to be appropriate to the aims of the Association. The event organisers and event committees meet regularly to review progress and budgets and there are financial controls in place to reduce the risk of fraud and financial loss. There is regular liaison and reporting between regions, ram sales and head office to monitor fundraising activities.

**g. Principal funding**

The principal funding source continues to be from subscriptions paid by members of the Association. Breed society affiliation fees, breed society exhibits at NSA sheep centres at specific shows, sponsorship and Gift Aid are all important sources of income. In addition to this, virtually all regions hold biennial regional Sheep Events where payment is received from breed societies, trade stands and sheep farmers attending the events. A national Sheep Event is also held on a biennial basis. Another source of income and service to members is the coordination of ram sales.

The legacy NSA received in 2014 and 2015 is now well established with a portfolio managed by Rathbones, as described above.

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

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Structure, governance and management**

**a. Constitution**

During 2020 the National Sheep Association was a Company Limited by Guarantee governed by its Memorandum and Articles of Association dated 21st December 1892 and most recently amended at the 2015 AGM to allow for current governance. NSA is registered as a Private Company Limited by Guarantee without share capital and is a Registered Charity. In the event of the Association being wound up members may be required to contribute a sum not exceeding £1.

**b. Methods of appointment or election of Trustees**

The trustees, who are also directors for the purpose of company law, who served during the year were:

Mr Henry Dunn	
Mr Timothy Ward	
Mr Dan Phipps	
Mr Peter Myles	
Mr Paul Wozencraft	(Resigned 29 April 2020)
Mr David Gregory	
Mr Bryan Griffiths	(Resigned 1 February 2021)
Mr Peter Delbridge	
Mr Andrew Barr	(Resigned 18 March 2021)
Mr John Geldard	
Mr Christopher Lewis	(Resigned 13 August 2020)
Mr Llew Thomas	
Mrs Aileen McFadzean	
Mr Jonathan Farmer	
Ms Kate Hovers	(Appointed 30 April 2020)

- One Trustee as nominated by each of the six NSA English regions (six Trustees in total);
- Three Trustees as nominated by the NSA Cymru/Wales region;
- Two Trustees as nominated by the NSA Scottish region;
- One Trustee as nominated by the NSA Northern Ireland region;
- One Trustee to act as Treasurer to NSA as elected at the Annual General Meeting each year;
- One Trustee as elected by the Board of Directors to act as Chairman of the Directors (subject to the provisions of article 44).

There is a rota for retirement of Trustees and they are nominated by Regions at their annual regional members meetings. In its first year the Board of Trustee/Directors received induction training on their responsibilities and duties from material provided by Burges Salmon. As new Trustees join the Board they receive the current guidance from the Charity Commission and the printed information from Burges Salmon. The Trustee/Directors confirm that they have adhered to section six of the NSA's Articles regarding income and property and the entitlements of its Trustees/Directors.

**c. Organisational structure and decision-making policies**

The Board of Trustee/Directors administers the Charity. During the year the Board held six meetings. Additionally, there were sub-committees covering Finance & General Purposes, and UK Policy & Technical. Each of the devolved nations has their own committee as well as regional committees in England feeding into the English Committee. A Chief Executive is appointed by the Trustee/Directors to manage day to day operations, having regard to the decisions of the Board.

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Structure, governance and management (CONTINUED)**

**d. Management and staff in 2020**

NSA headquarters remains at Malvern, although Covid-19 restrictions meant the head office was manned by a single person throughout much of 2020, with staff usually based there working from home instead. The main delivery of the policies is undertaken by the Chief Executive, supported by others. Phil Stocker continued as NSA Chief Executive and oversaw several changes in staff during the year.

Joanne Briggs (Operations Director) was on maternity leave from the end of January until mid-September, with cover provided by Louise Hart (Operations Manager) and Dave Gregory (Regional Coordinator). Louise's temporary contract came to an end at the beginning of October, while Dave continued in a self-employed role to allow transition and provide additional support to regions and ram sales as Covid-19 continued to impact usual activities. The position of Livestock Researcher was made redundant in January, due to its link with project funding that came to an end in late 2019. However, it was possible to instead provide a new position (Technical Officer) for Nicola Noble. This happened while Nicola was on maternity leave (August 2019 to May 2020), with Wendy Jones employed to cover Nicola's maternity leave in both positions until May, plus additional consultancy services provided by Liz Genever on a self-employed basis. Liz continued in this role throughout the year, widening NSA's breadth of work supporting various research and development projects.

Chris Adamson (Activities & Campaigns Officer), Nicola Noble and Wendy Jones (Technical Officer) and Katie James (Communications Officer) were placed on furlough or flexible furlough at various points during 2020, either because work was not available due to Covid-19 or because the closure of schools meant they could not do their usual hours. The cancellation of all usual events and activities led to a review of the Activities & Campaigns Officer role. The culmination of this review was that Chris Adamson moved from a full-time contract to a zero hours contract in November, allowing Chris and NSA to decide hours on a weekly/monthly basis depending on what work is required. At the same time as this review, Eleanor Phipps (Policy and Communications Officer) handed in her notice, leaving in September, leading to a slight staffing restructure.

Becky Harrison started in October as Digital Communications Officer, a new position to acknowledge increased work around websites, social media and online membership recruitment; a small amount of additional work given to Rachael Porter, who works as Sheep Farmer Content Manager on a self-employed basis; and Nicola Noble, as Policy & Technical Officer, moved from two days a week to four. Nicola's change of role was a temporary measure given that it did not provide the policy resource needed, but the decision was taken to wrap this up with maternity cover required for Nicola from March 2021.

Other staff carrying on their existing roles were: Alexandra Abbott (Assistant Bookkeeper), Gill Callow (Membership Secretary), Katie James (Communications Officer), Julie Jennings (Association Secretary), Grace Reid (Scottish Region Co-ordinator), Helen Roberts (Sponsorship/Corporate Manager and Welsh Policy Officer), Karen Sumner (Bookkeeper). Various self-employed staff work at shows, meetings and events and in the delivery of policy work around the devolved parts of the UK.

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Plans for future periods**

The aims and key objectives of the Association are to continue to disseminate relevant information to sheep farmers and promote greater understanding of the industry to the general public, and to organisations in a position to affect sheep farmers and sheep farming. The importance of this work and the vulnerability of sheep farming due to changing farm and rural policy continues. While our departure from the EU was met with a trade agreement, removing significant risks for sheep farmers, challenges remain due to non-tariff barriers into the EU and the early stage and slow progress in developing trade more widely. Sheep market prices are at an all-time high and the reasons for this are understood and the reasons will form a big part of NSAs work going forward. The Association is optimistic about the long-term financial viability and sustainability of sheep farming in UK and therefore for the ability of sheep farmers to stay in business, but it has become increasingly clear that success will come from farmers willingness and ability to change. In particular farmers will need support to increase productivity and to understand and access new strands of farm support. In response to this NSA is planning to launch a new company jointly owned between NSA and BASIS, RoSA, the Register of Sheep Advisors.

The plethora of rules and regulations, together with the cost of their implementation, in many cases far exceeds the satisfaction of sheep farming and this, combined with increased costs associated with the operation of a sheep farming business, continues to put financial and moral rewards under pressure. While the UK has experienced a long era of support being shifted towards environmental protection and away from productive farming and food production, the recent Covid-19 pandemic has highlighted the importance of food security and resilient food supply chains. NSA will continue to use this situation, along with ongoing environmental concerns, to make the case for truly multi-functional sheep farming that works in harmony with the environment while producing high quality and nutritious food (and wool) from mainly grass, in itself a highly desirable and beneficial crop.

There is an ongoing and healthy level of interest being shown by young people and new entrants and this needs to be backed up by ensuring the industry is viable, successful and rewarding. It remains important to defend criticism of sheep farming's impact on the natural environment and climate change, and periodic criticism of links between red meat and human health. Evidence exists showing the positive interaction between sheep farming and the environment, and the importance of red meat within recommended intakes in healthy diets, and NSA will continue to provide a voice for the sheep sector to ensure it can defend itself against unjustifiable and often inaccurate criticisms which readily attract media attention. The Trustees believe it is an essential part of the Association's work to convey positive and optimistic messages to industry, the public, and those in positions of authority, as well as raising concerns over obstacles and barriers and working to take advantage of opportunities that exist.

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

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

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

**Disclosure of information to auditors**

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

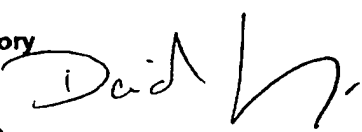
- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors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

**Auditors**

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

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

Mr D Gregory  
Treasurer  
Date:

  
26 August 2021

Mr D Phipps  
Chair





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

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

---

**OPINION**

We have audited the financial statements of National Sheep Association (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

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

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

---

**OTHER INFORMATION**

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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

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

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

---

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

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

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

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

Identifying and assessing potential risks related to irregularities;

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

- We have considered the nature of the industry and sector, control environment and business performance;
- We have considered the results of our enquiries of management and the Chair of the Board about their own identification and assessment of the risk of irregularities
- For any matters identified we have obtained and reviewed the 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

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

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

---

Charities SORP (FRS 102) - Accounting and Reporting by Charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

**Audit response to risks identified**

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

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

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

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

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

---

**USE OF OUR REPORT**

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



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

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

Date: 24th September 2021

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

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
<b>INCOME FROM:</b>					
Donations and legacies	4	39,154	12,753	51,907	89,575
Charitable activities	5	501,382	4,016	505,398	605,490
Other trading activities	6	34,748	-	34,748	495,646
Investments	7	44,714	-	44,714	41,721
Other income	8	27,644	-	27,644	33,597
<b>TOTAL INCOME</b>		<b>647,642</b>	<b>16,769</b>	<b>664,411</b>	<b>1,266,029</b>
<b>EXPENDITURE ON:</b>					
Charitable activities	9	717,783	16,730	734,513	1,278,452
<b>TOTAL EXPENDITURE</b>		<b>717,783</b>	<b>16,730</b>	<b>734,513</b>	<b>1,278,452</b>
<b>NET (EXPENDITURE)/INCOME BEFORE NET (LOSSES)/GAINS ON INVESTMENTS</b>					
		(70,141)	39	(70,102)	(12,423)
Net (losses)/gains on investments		(4,166)	-	(4,166)	120,793
<b>NET MOVEMENT IN FUNDS</b>		<b>(74,307)</b>	<b>39</b>	<b>(74,268)</b>	<b>108,370</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		1,771,097	18,606	1,789,703	1,681,333
Net movement in funds		(74,307)	39	(74,268)	108,370
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,696,790</b>	<b>18,645</b>	<b>1,715,435</b>	<b>1,789,703</b>

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

The notes on pages 23 to 44 form part of these financial statements.

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

**BALANCE SHEET  
AS AT 31 DECEMBER 2020**

	Note	2020 £	As restated 2019 £
<b>FIXED ASSETS</b>			
Tangible assets	14	180,853	187,261
Investments	16	879,378	905,506
Investment property	15	350,000	350,000
		<b>1,410,231</b>	<b>1,442,767</b>
<b>CURRENT ASSETS</b>			
Stocks	17	3,147	3,271
Debtors	18	87,017	115,548
Cash at bank and in hand		602,679	473,411
		<b>692,843</b>	<b>592,230</b>
Creditors: amounts falling due within one year	19	(337,639)	(245,294)
<b>NET CURRENT ASSETS</b>		<b>355,204</b>	<b>346,936</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,765,435</b>	<b>1,789,703</b>
Creditors: amounts falling due after more than one year	20	(50,000)	-
<b>NET ASSETS EXCLUDING PENSION ASSET</b>		<b>1,715,435</b>	<b>1,789,703</b>
<b>TOTAL NET ASSETS</b>		<b>1,715,435</b>	<b>1,789,703</b>
<b>CHARITY FUNDS</b>			
Restricted funds	23	18,645	18,606
Unrestricted funds	23	1,696,790	1,771,097
<b>TOTAL FUNDS</b>		<b>1,715,435</b>	<b>1,789,703</b>

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

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

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

Mr D Gregory  
Treasurer

Date: 26/8/21   
The notes on pages 23 to 44 form part of these financial statements.

Mr D Phipps  
Chair



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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	As restated 2019 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net cash used in operating activities	<b>101,038</b>	<b>98,645</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends, interests and rents from investments	<b>(44,714)</b>	<b>(41,271)</b>
Purchase of tangible fixed assets	<b>(3,185)</b>	<b>(12,426)</b>
Proceeds from sale of investments	<b>77,182</b>	<b>19,413</b>
Purchase of investments	<b>(55,219)</b>	<b>(13,901)</b>
Revaluation of investments	<b>4,166</b>	<b>(120,793)</b>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(21,770)</b>	<b>(168,978)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash inflows from new borrowing	<b>50,000</b>	<b>-</b>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>50,000</b>	<b>-</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	<b>129,268</b>	<b>(70,333)</b>
Cash and cash equivalents at the beginning of the year	<b>473,411</b>	<b>543,744</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>602,679</b>	<b>473,411</b>

The notes on pages 23 to 44 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 2020**

---

**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**

In light of the current coronavirus pandemic, the trustees have reviewed likely future developments and remain of the opinion that there is no reason to believe that the charity will have to cease operating as a result of inadequate financial resources, or any other foreseeable event, within a period of 12 months from the date of the approval of these accounts.

**2.3 INCOME**

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. ACCOUNTING POLICIES (continued)**

**2.4 EXPENDITURE**

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

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

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

**2.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

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

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

Depreciation is provided on the following bases:

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. ACCOUNTING POLICIES (continued)**

**2.6 INVESTMENTS**

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

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

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

**2.7 STOCKS**

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

**2.8 DEBTORS**

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

**2.9 CASH AT BANK AND IN HAND**

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

**2.10 LIABILITIES AND PROVISIONS**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. ACCOUNTING POLICIES (continued)**

**2.11 FINANCIAL INSTRUMENTS**

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

**2.12 OPERATING LEASES**

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

**2.13 PENSIONS**

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

**2.14 FUND ACCOUNTING**

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**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 25 June 2015 by Charles Knowles, a RICS registered firm. It was arrived at by reviewing the market for transaction prices for similar properties. Each year the Charity reviews this valuation, to determine whether they still considered this to be accurate at the year end.

**Deferred subscription income**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**4. INCOME FROM DONATIONS AND LEGACIES**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Donations	39,154	-	39,154	40,902
Grants	-	-	-	48,673
Government grants	-	12,753	12,753	-
	<u>39,154</u>	<u>12,753</u>	<u>51,907</u>	<u>89,575</u>
TOTAL 2019 AS RESTATED	<u>40,902</u>	<u>48,673</u>	<u>89,575</u>	

**5. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Ram Sales	9,356	-	9,356	127,240
Sheep Farmer Advertising	101,217	-	101,217	97,110
Other Charitable Income	40,023	4,016	44,039	17,542
Sustainable Control of Parasites in Sheep	3,425	-	3,425	-
Membership Services	347,361	-	347,361	363,598
	<u>501,382</u>	<u>4,016</u>	<u>505,398</u>	<u>605,490</u>
TOTAL 2019 AS RESTATED	<u>605,490</u>	<u>-</u>	<u>605,490</u>	

Membership income was previously disclosed within Donations but has now been disclosed in Charitable Activities, due to the nature of the activity, the comparatives have been amended for consistency.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**6. INCOME FROM OTHER TRADING ACTIVITIES**

**Income from non charitable trading activities**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Fundraising events	34,748	34,748	495,646
<b>TOTAL 2019</b>	<b>495,646</b>	<b>495,646</b>	

**7. INVESTMENT INCOME**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Rental income	20,515	20,515	19,936
Investment income	23,776	23,776	20,609
Interest receivable	423	423	1,176
	<b>44,714</b>	<b>44,714</b>	<b>41,721</b>
<b>TOTAL 2019</b>	<b>41,721</b>	<b>41,721</b>	

**8. OTHER INCOMING RESOURCES**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>As restated Total funds 2019 £</b>
Other income	5,446	5,446	15,310
Promotional items	433	433	367
P & O Transport	21,765	21,765	17,920
	<b>27,644</b>	<b>27,644</b>	<b>33,597</b>
<b>TOTAL 2019 AS RESTATED</b>	<b>33,597</b>	<b>33,597</b>	

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**8. OTHER INCOMING RESOURCES (CONTINUED)**

P & O transport expenditure was previously net off against income but has now been disclosed in Charitable Activities, due to the nature of the activity, the comparatives have been amended for consistency.

**9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

**Summary by fund type**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Breeding Improvement Other Costs	25,330	-	25,330	98,313
Membership Services and Enquiries	89,485	-	89,485	96,552
Education and Promotion Other Costs	480,153	16,730	496,883	598,314
Fundraising Costs	122,815	-	122,815	485,273
	<b>717,783</b>	<b>16,730</b>	<b>734,513</b>	<b>1,278,452</b>
<b>TOTAL 2019</b>	<b>1,200,206</b>	<b>78,246</b>	<b>1,278,452</b>	

**10. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Breeding Improvement Other Costs	25,330	-	25,330	98,313
Membership Services and Enquiries	4,249	85,236	89,485	96,552
Education and Promotion Other Costs	177,650	319,233	496,883	598,314
Fundraising Costs	27,551	95,264	122,815	485,273
	<b>234,780</b>	<b>499,733</b>	<b>734,513</b>	<b>1,278,452</b>
<b>TOTAL 2019</b>	<b>699,282</b>	<b>579,170</b>	<b>1,278,452</b>	



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**Analysis of direct costs**

	Breeding Improvement Other Costs 2020 £	Membership Services and Enquiries 2020 £	Education and Promotion Other Costs 2020 £	Fundraising Costs 2020 £	Total funds 2020 £	Total funds 2019 £
SCOPS	-	-	2,217	-	2,217	1,680
iSage	-	-	2,028	-	2,028	3,977
Sheep Farmer costs	-	-	72,262	-	72,262	63,023
Design and Printing	-	-	15,751	-	15,751	11,247
Next Generation Ambassadors	-	-	3,997	-	3,997	14,104
Branding and Merchandise	-	-	2,859	-	2,859	-
Moredun Initiative	-	-	10,000	-	10,000	10,000
DBEIS Grant Expenditure	-	-	10,066	-	10,066	12,863
Regional Secretaries & Officers fees	-	-	55,018	-	55,018	62,230
Membership Promotion	-	4,249	-	-	4,249	1,387
Ram sale expenses	864	-	-	-	864	109,524
Storage of Semen	7,128	-	-	-	7,128	8,217
P & O Expenditure	17,338	-	-	-	17,338	14,710
Room Hire & Refreshments	-	-	-	-	-	26,945
Ram Longevity	-	-	-	-	-	7,264
Subscriptions for other bodies	-	-	3,092	-	3,092	3,821
Awards and Donations	-	-	360	-	360	5,928
Costs of generating funds	-	-	-	27,551	27,551	342,362
	<u>25,330</u>	<u>4,249</u>	<u>177,650</u>	<u>27,551</u>	<u>234,780</u>	<u>699,282</u>
<b>TOTAL 2019</b>	<u>98,313</u>	<u>-</u>	<u>232,686</u>	<u>342,362</u>	<u>699,282</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**Analysis of support costs**

	<b>Membership Services and Enquiries 2020 £</b>	<b>Education and Promotion Other Costs 2020 £</b>	<b>Fundraising Costs 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Staff costs	65,459	187,733	73,161	326,353	315,374
Depreciation	1,654	6,222	1,848	9,724	9,796
Printing, Photocopying, Postage & Stationery	2,058	7,746	2,299	12,103	27,579
General office expenses	1,053	2,776	1,177	5,006	8,988
Telephone, Computer & Website	4,698	17,688	5,251	27,637	26,339
Travelling expenses & Subsistences	3,359	13,474	3,755	20,588	45,311
Rates, Utilities & Insurance	3,147	11,847	3,517	18,511	20,803
Property Repairs	367	1,380	410	2,157	25,730
Legal & Professional	288	1,083	321	1,692	12,497
Accountancy	2,107	7,933	2,355	12,395	8,098
Bank Charges	445	1,677	498	2,620	3,832
Bad Debts	601	2,263	672	3,536	169
Governance - Audit Fees	-	10,075	-	10,075	6,500
Governance - Salaries	-	46,207	-	46,207	68,154
Board and AGM Meeting Costs	-	1,129	-	1,129	-
	<b>85,236</b>	<b>319,233</b>	<b>95,264</b>	<b>499,733</b>	<b>579,170</b>
<b>TOTAL 2019</b>	<b>96,552</b>	<b>339,707</b>	<b>142,911</b>	<b>579,170</b>	

**11. AUDITORS' REMUNERATION**

	<b>2020 £</b>	<b>2019 £</b>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<b>10,075</b>	<b>6,500</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**12. STAFF COSTS**

	2020 £	2019 £
Wages and salaries	281,210	267,589
Social security costs	17,397	25,292
Contribution to defined contribution pension schemes	27,746	22,493
Wages and salaries included within governance	46,207	68,154
	<u>372,560</u>	<u>383,528</u>

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

	2020 No.	2019 No.
Employees	<u>13</u>	<u>11</u>

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

	2020 No.	2019 No.
Regional Secretaries and Officers	8	11
Ram Sales Secretaries and Officers	1	5
Regional Event Managers	1	6
	<u>10</u>	<u>22</u>

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

	2020 £	2019 £
Regional Secretaries	30,945	33,077
Ram Sales Managers	25,500	28,600
Regional Events Managers	9,000	35,000

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

	2020 No.	2019 No.
In the band £70,001 - £80,000	1	1

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**13. TRUSTEES' REMUNERATION AND EXPENSES**

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

		2020 £	2019 £
Mr D Gregory	Other benefits	10,200	-

During the year ended 31 December 2020, expenses totalling £1,151 were reimbursed or paid directly to 6, Trustees (2019 - £7,175 to 13 Trustees).

**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
<b>COST OR VALUATION</b>				
At 1 January 2020	247,517	9,430	105,484	362,431
Additions	-	-	3,185	3,185
At 31 December 2020	247,517	9,430	108,669	365,616
<b>DEPRECIATION</b>				
At 1 January 2020	85,803	9,151	80,216	175,170
Charge for the year	3,421	70	6,102	9,593
At 31 December 2020	89,224	9,221	86,318	184,763
<b>NET BOOK VALUE</b>				
At 31 December 2020	158,293	209	22,351	180,853
At 31 December 2019	161,714	279	25,268	187,261

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**15. INVESTMENT PROPERTY**

	Freehold investment property £
<b>VALUATION</b>	
At 1 January 2020	350,000
At 31 December 2020	<u>350,000</u>

The fair value of the investment property brought forward had been arrived at on the basis of a valuation carried out on 25 June 2015 by Charles Knowles, a RICS registered firm, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. Each year the charity reviews this valuation, to determine whether they still considered this to be accurate at the year end and from a review of similar property prices in the area, in 2018 there was a £30k increase in the directors' opinion. The directors believe that there is no movement in the valuation for the year ended 31 December 2020.

**16. FIXED ASSET INVESTMENTS**

	Listed investments £	Unlisted investments £	Total £
<b>COST OR VALUATION</b>			
At 1 January 2020	635,489	270,018	905,507
Additions	55,219	-	55,219
Disposals	(57,182)	(20,000)	(77,182)
Revaluations	(20,358)	16,192	(4,166)
<b>AT 31 DECEMBER 2020</b>	<u>613,168</u>	<u>266,210</u>	<u>879,378</u>
<b>NET BOOK VALUE</b>			
<b>AT 31 DECEMBER 2020</b>	<u>613,168</u>	<u>266,210</u>	<u>879,378</u>
<b>AT 31 DECEMBER 2019</b>	<u>635,489</u>	<u>270,018</u>	<u>905,507</u>

**17. STOCKS**

	2020 £	2019 £
Finished goods and goods for resale	<u>3,147</u>	<u>3,271</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**18. DEBTORS**

	2020 £	2019 £
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	47,448	54,061
Other debtors	20,375	17,943
Prepayments and accrued income	15,862	31,830
Gift Aid recoverable	3,332	11,714
	<u>87,017</u>	<u>115,548</u>

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

	2020 £	2019 £
Trade creditors	64,596	63,404
Other taxation and social security	7,414	-
Other creditors	26,807	17,061
Accruals and deferred income	238,822	164,829
	<u>337,639</u>	<u>245,294</u>

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

	2020 £	2019 £
Bank loans	<u>50,000</u>	<u>-</u>
Included within the above are amounts falling due as follows:		
<b>BETWEEN TWO AND FIVE YEARS</b>		
Bank loans	<u>30,000</u>	<u>-</u>
<b>OVER FIVE YEARS</b>		
Bank loans	<u>20,000</u>	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**21. FINANCIAL INSTRUMENTS**

	2020 £	2019 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through income and expenditure	<b>602,679</b>	<b>473,411</b>

Financial assets measured at fair value through income and expenditure comprise of cash at bank or in hand.

**22. PRIOR YEAR ADJUSTMENTS**

A prior year adjustment was made in respect of a fund held on behalf of another society being previously held as trust funds. This balance has been reclassified to be held as a creditor to reflect the balance held on behalf of the third party, which has also resulted in an adjustment to the opening funds position of £15,269.

**23. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
<b>GENERAL FUNDS</b>						
General Funds	1,036,918	600,645	(612,911)	9,950	(19,699)	1,014,903
<b>TOTAL UNRESTRICTED FUNDS</b>	<b>1,771,097</b>	<b>647,642</b>	<b>(717,783)</b>	<b>-</b>	<b>(4,166)</b>	<b>1,696,790</b>
	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
<b>RESTRICTED FUNDS</b>						
British Heritage Sheep	8,825	1,000	(1,949)	-	-	7,876
Echinococcus Parasite in Farm Dogs	899	-	-	-	-	899
Lameness Study	1,219	-	-	-	-	1,219
DBEIS	7,663	-	-	-	-	7,663
iSage	-	3,016	(2,028)	-	-	988
Job Retention Scheme Grants	-	12,753	(12,753)	-	-	-
	<b>18,606</b>	<b>16,769</b>	<b>(16,730)</b>	<b>-</b>	<b>-</b>	<b>18,645</b>
<b>TOTAL OF FUNDS</b>	<b>1,789,703</b>	<b>664,411</b>	<b>(734,513)</b>	<b>-</b>	<b>(4,166)</b>	<b>1,715,435</b>



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

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

**British Heritage Sheep Project**

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

**iSAGE**

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

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

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

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

**Investigations into the Distributions of Echinococcus Parasite in Farm Dogs**

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

**Lameness Study**

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

**DBEIS Grant**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance as restated at 1 January 2019 £	As restated Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance as restated at 31 December 2019 £
<b>UNRESTRICTED FUNDS</b>						
<b>DESIGNATED FUNDS</b>						
Central Region	23,298	12,808	(10,728)	(1,800)	-	23,578
Cymru Region	148,740	120,271	(58,407)	(1,800)	21,385	230,189
Eastern Region	28,380	11,482	(4,971)	(1,800)	-	33,091
Marches Region	19,669	275	(3,304)	(1,800)	-	14,840
Northern Region	54,001	140,642	(109,163)	(1,800)	-	83,680
Northern Ireland Region	38,426	33,262	(29,382)	3,950	-	46,256
Scottish Region	31,360	101,181	(113,491)	200	-	19,250
South East Region	5,327	5,586	(8,792)	(1,800)	-	321
South West Region	5,949	76,145	(56,883)	(1,300)	-	23,911
South West Ram Sales	62,877	10,431	(3,584)	(500)	7,083	76,307
Wales & Border Ram Sales	160,830	151,492	(148,140)	(1,000)	19,574	182,756
	<u>578,857</u>	<u>663,575</u>	<u>(546,845)</u>	<u>(9,450)</u>	<u>48,042</u>	<u>734,179</u>
	Balance as restated at 1 January 2019 £	As restated Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance as restated at 31 December 2019 £
<b>GENERAL FUNDS</b>						
General Funds - all funds	<u>1,031,159</u>	<u>539,071</u>	<u>(625,788)</u>	<u>19,725</u>	<u>72,751</u>	<u>1,036,918</u>
<b>TOTAL UNRESTRICTED FUNDS</b>	<u>1,610,016</u>	<u>1,202,646</u>	<u>(1,172,633)</u>	<u>10,275</u>	<u>120,793</u>	<u>1,771,097</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

	Balance as restated at 1 January 2019 £	As restated Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance as restated at 31 December 2019 £
<b>RESTRICTED FUNDS</b>						
British Heritage Sheep	13,796	2,293	(7,264)	-	-	8,825
Echinococcus Parasite in Farm Dogs	-	1,174	(275)	-	-	899
Lameness Study	-	1,432	(213)	-	-	1,219
DBEIS	-	27,700	(20,037)	-	-	7,663
Welsh Commons Forum	10,275	-	-	(10,275)	-	-
iSage	47,246	16,074	(63,320)	-	-	-
	<u>71,317</u>	<u>48,673</u>	<u>(91,109)</u>	<u>(10,275)</u>	<u>-</u>	<u>18,606</u>
<b>TOTAL OF FUNDS</b>	<u>1,681,333</u>	<u>1,251,319</u>	<u>(1,263,742)</u>	<u>-</u>	<u>120,793</u>	<u>1,789,703</u>

**24. SUMMARY OF FUNDS**

**SUMMARY OF FUNDS - CURRENT YEAR**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**24. SUMMARY OF FUNDS (CONTINUED)**

**SUMMARY OF FUNDS - PRIOR YEAR**

	Balance as restated at 1 January 2019 £	As restated Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds	578,857	663,575	(546,845)	(9,450)	48,042	734,179
General funds	1,031,159	539,071	(625,788)	19,725	72,751	1,036,918
Restricted funds	71,317	48,673	(91,109)	(10,275)	-	18,606
	<u>1,681,333</u>	<u>1,251,319</u>	<u>(1,263,742)</u>	<u>-</u>	<u>120,793</u>	<u>1,789,703</u>

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**25. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	187,261	-	187,261
Fixed asset investments	905,506	-	905,506
Investment property	350,000	-	350,000
Current assets	558,355	33,875	592,230
Creditors due within one year	(230,025)	(15,269)	(245,294)
<b>TOTAL</b>	<b>1,771,097</b>	<b>18,606</b>	<b>1,789,703</b>

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

	2020 £	As restated 2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(74,268)	108,370
<b>ADJUSTMENTS FOR:</b>		
Depreciation charges	9,593	9,796
Dividends, interests and rents from investments	44,714	41,271
Decrease/(increase) in stocks	124	(1,313)
Decrease/(increase) in debtors	28,531	(10,541)
Increase/(decrease) in creditors	92,344	(48,938)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>101,038</b>	<b>98,645</b>

**27. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2020 £	2019 £
Cash in hand	602,679	473,411
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>602,679</b>	<b>473,411</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	473,411	129,268	602,679
Debt due after 1 year	-	(50,000)	(50,000)
	<u>473,411</u>	<u>79,268</u>	<u>552,679</u>

**29. 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 £27,746 (2019: £24,493). Contributions totaling £2,860 (2019: £NIL) were payable to the fund at the Balance Sheet date and are included in creditors.

**30. OPERATING LEASE COMMITMENTS**

At 31 December 2020 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	6,399	14,708
Later than 1 year and not later than 5 years	1,116	7,406
Later than 5 years	-	1,209
	<u>7,515</u>	<u>23,323</u>

**31. RELATED PARTY TRANSACTIONS**

During the year £35,765 (2019: £34,138) was paid to companies with directors in common control. At the year end £14,688 (2019: £22,074) was due to these companies.

During the year a salary of £17,485 (2019: £Nil) was paid to a direct family member of a trustee.

During the year payments of £10,200 (2019: £Nil) were made to a trustee for consultancy services.

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