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National Sheep Association

Annual Report and Accounts
for the year ended 1995

**National Sheep Association, The Sheep Centre,
Malvern, Worcs. WR13 6PH**

Registered Charity Number: 249255



CONTENTS

	PAGE
Notice and Agenda for the Annual General Meeting	1
Annual Report of Council for the year ended 31 December 1995 ..	2
Minutes of the 102nd Annual General Meeting held 24 May 1995 ..	8
Treasurer's Report for the year ended 31 December 1995	11
Management Report	12
Statement of Council's responsibilities	13
Auditor's Report	14
Central Income and Expenditure Account	15
Schedule of Expenditure	16
Summarised Income and Expenditure Account	17
Statement of Financial Activities	18
Balance Sheet	19
Notes to the Accounts	20/25

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Notice is hereby given that the 103rd Annual General Meeting of the National Sheep Association is to be held at The George Hotel, Piercebridge, North Yorks at 3.30 pm on Tuesday, 4th June 1996.

By Order of the Council
J THORLEY - CHIEF EXECUTIVE

AGENDA

1. To receive apologies for absence.
2. To confirm the Minutes of the 102nd Annual General Meeting.
3. To receive:
 - a) The Report of Council to year ended 31st December 1995.
 - b) The Treasurer's Report and Statement of Accounts to year ended 31st December 1995.
 - c) Adoption of (a) and (b).
4. To elect:
 - a) Officers for the ensuing year;
 - b) Vice-President(s) for the ensuing year;
 - c) Auditors.
5. To consider any other relevant business.

* * * * *

**The Annual Report of the Council of
The National Sheep Association to its members
for the year ended 31st December 1995**

The Chairman's Review

The year started quietly enough but very soon many of the problems that have beset our sector of the industry in the past, reappeared.

Sheep scab, that scourge of the sheep industry for generations, apart from a period of about twenty years in the middle of this century, took centre stage on two counts. Indications of the widespread incidence of scab since de-regulation led NSA to re-convene the Sheep Scab Action Group which, together with pressure from other sources and organisations, resulted in MAFF showing interest in the disease once again. Towards the end of the year MAFF issued a consultation document outlining various proposals to strengthen the powers of both Ministry and Local Authorities, most of which were along the lines proposed by NSA. MAFF also introduced controls over the sale and use of Organophosphorus dips following illness to humans using these products. Although some of our members supported an all out ban on their use, the majority view of NSA is that OPs, used properly, are too valuable in the fight against scab to be given up.

It came as a bitter blow to learn that the Ministry Panel had recommended the Scottish Agricultural College scheme as the most appropriate one to take over the Sheep and Goat Health Scheme. Not that NSA is short of things to do, but rather because having been critical in the past, for very good reasons, of the way the MAFF scheme was run we felt that the long term interests of both the existing Health Scheme members and the industry in general required a major change in direction. The SAC scheme appears to be a re-run of the existing scheme and we shall be working very hard to get SAC to make the necessary changes to their scheme.

The major worry that we had to wrestle with on the business front was the change to the Sheep Annual Premium rules, allowing for only one common Application Period, and hence one Retention Period, for all producers. The price of retaining the choice of one of the two periods previously enjoyed, dictated by the EU Court of Auditors who perceived a possibility of fraud with two periods, was individual identification of all sheep which we felt would have been disastrous. Given the unique stratification of the UK sheep industry, it was soon obvious that no one period would suit all producers, exacerbated by the fact that MAFF made their proposals after many producers had already committed themselves (and their ewes!) to lambing dates that they might not have chosen had they known that retention would run until mid-May.

We were able to take small teams to meet both the Minister of Agriculture and his Secretary of State and these meetings, together with ongoing contact with senior officials in the various departments of MAFF as well as other outside bodies such as MLC, RSPCA, and so on have enabled NSA to make the views of sheep farmers heard where it matters.

1995 saw our publication of the report 'Sheep UK - our natural hidden asset'. Sub titled 'An appreciation of the value to the UK of its sheep industry', the report drew together under one cover a host of facts and figures presented in a way to show the importance in both the agricultural and the wider economy of the sheep industry. It was given a good reception by the press and was circulated to Members of Parliament and other 'opinion formers'. So much work went into the publication that it is proposed to maintain its value as a reference document by updating the figures on an annual basis. This, together with the formation of a 'think tank', the Policy Group, will ensure that the Association keeps right up to date and in a position to guide and advise the whole sheep industry in how to cope with all the problems that will surely arise in the future.

Three Regional Open Days were held, all different in character (and weather!) but each in its own way well up to or even exceeding the high standard of organisation that we have grown to expect - my heartfelt thanks to all those involved, surely the stature of NSA in Scotland, Wales and the South West of England must have been enhanced by these events.

Finally, as my term as Chairman of Council ends, I should like to record my sincere and heartfelt thanks to the Officers, Staff, Council members, Regional Officers and Committees for all their support which has made my time as Chairman so enjoyable and so less arduous than I had feared it would be.

J S Brigg
Chairman of N.S.A. Council

The Chief Executive's Report

General

The involvement by special interest groups in matters to do with livestock farming which had been going on for some years came to a sharp focus in 1995. The inability of the industry to respond in a meaningful way, particularly to the public media onslaught, was viewed with the utmost disquiet.

Council was deeply concerned at the protracted campaign of misinformation which had beset the industry and calls were being made to develop a proper campaign to re-establish the livestock producer and the general trade in livestock in the minds of the British public.

Whilst Council was concerned at the continued slight trend to reduce the productive capacity of the national flock (down by some 3.5% on the previous year) and on the European flock (down by some 7%) there was every confidence in the continued popularity of sheep meat and wool and the place of the sheep industry as an integral part of livestock production in rural and remote areas.

N.S.A. Organisation and Management

Policies of the Association continued to be formed by the membership working either through the Regional Committees or else through Breed Societies. During the year there were four meetings each of Council and of the Executive Board with meetings of a number of specific interest Committees also taking place.

The headquarters of the Association remains at Malvern from where regular contact and dialogue is maintained with a broad spectrum of agricultural and allied trades organisations. During the year many meetings took place at the Sheep Centre and a variety of other locations including London, Paris, Brussels, Strasbourg.

Health, Welfare, Transport

The issue of sheep scab has been covered by the Chairman in his report, as also has the decision by the Ministry Panel to recommend that S.A.C. should take on the running of the Sheep & Goat Health Scheme. It is however worth noting that greater interest than ever is being taken by the general public in matters to do with livestock production. The industry has had to face up to the fact that the public perception of the livestock industry is not generally conducive to the maintenance of peaceful and harmonious co-existence.

Whilst Council was complimentary about the work being done by a number of farmer organisations to get across to media and public a more positive message about livestock production and the meat industry, the view was expressed in clear, unequivocal language that the educational process which the Meat and Livestock Commission was involved in at school level should occupy a higher priority and new efforts made to project a positive, accurate and clear view of the livestock and meat trade to children in primary schools.

In developing its thinking, Council drew attention to the fact that the M.L.C. is financed by the whole of the red meat industry and in the public arena has a highly respected position as a professional operation. The fact that all producers of red meat have to contribute to its financing on a per head of livestock basis maintains fairness and spreads the support load evenly.

Whilst the subject of the welfare of sheep always occupies a high position in the minds of sheep keepers with good welfare running hand in glove with good health and hence a profitable enterprise, Council takes every opportunity to get this foregoing very simple message across and at the same time to develop an understanding of the concerns of interested individual and organised bystanders. As a result the Association is now represented on a number of committees partly to develop its own understanding but also to project the practical view of the sheep industry. Every effort being made to explain the differences between extensive livestock keeping of which practically all sheep enterprises are a part and intensive production which is associated largely with pigs and poultry. The resultant cost structures also have to be

explained as also has the place of sheep in maintaining viable rural populations. Whilst Chairman has dealt with our report "Sheep U.K. - our natural hidden asset", Council would take this opportunity to pay tribute to its authors Joe Read and Professor Ian Cunningham. The report provides a bench mark for the industry and provides a special part in the process of educating the public on the value and place of the sheep.

During the year a paper was presented to the Animal Transport Association (A.A.T.A.) Conference in Paris. This provided an opportunity to explain the development which had taken place over the last fifty years in the way sheep were moved, marketed, slaughtered and put out to the retail trade. Whilst those who are involved in the industry understand that a revolution has taken place, those on the outside express surprise at the detail changes. The conference started ongoing work with A.A.T.A. and at the end of the year had assisted that organisation in producing its first transport manual setting out acceptable rules for moving livestock.

The business of welfare and transport were brought together during the year with the publication of E.U. Directive 91/628, Welfare of Animals During Transport. MAFF produced a consultation document and the Association put in a reasoned and well argued submission on behalf of the sheep industry. At the end of the year the Government response was awaited with concern being expressed that the welfare of sheep could be seriously compromised if some of the more radical proposals of the Directive and Ministry interpretation were implemented.

Marketing and Farm Assurance

Whilst Chairman has drawn attention to issues which have to do with the market, it would be fair to say that the movement which has been gradually developing to provide "customer assurance" through the medium of a "farm assurance" label has been growing. The "due diligence" requirement on the rest of the food supply chain has meant that livestock producers are also having to become involved.

The guide from Council has been consistent in that efforts should be made to provide cost effective assurance that sheep producers are functioning to a proper and acceptable level.

Shows, Regional Events and Ram Sales

Whilst the 1995 show season was again successful with some small changes taking place at all our usual venues, i.e. Royal Highland, Royal and Great Yorkshire. The Royal Welsh pavilion saw a great improvement with the putting in of a new proper floor and permanent lighting. Grateful thanks for these is expressed to the Wales and Border NSA Ram Sale Committee which bore the greater part of the cost, to the Regional Committee and The Royal Welsh Agricultural Society which made substantial contributions.

The World Sheep and Wool Congress was hosted at Malvern for the first time. It was organised by the same successful tripartite team of Royal Agricultural Society of England (R.A.S.E.), Three Counties Agricultural Society (T.C.A.S.) and N.S.A.

Under the Chairmanship of N.S.A. President, Joe Stoddart, it provided a highly successful and wide ranging two day conference and a one day exhibition with a great number of people being involved from all over the World in pre and post congress farm, meat and textile industry tours.

The N.S.A. ram sales continue to provide a highly regarded service for both buyers and sellers of rams.

Council expresses its grateful thanks to all persons who contribute in any way to the running of all events from shows to open days to ram sales. All now occupy important places in the industry calender and a year without them would leave a serious and unacceptable void.

Other organisations

The organisations with which we have an involvement on an ongoing basis are the following The National Farmers' Unions of England & Wales and of Scotland, The Farmers Union of Wales, The Ulster Farmers Union, The British Wool Marketing Board, The Nature Conservancy Council, The Countryside Commission, The New Zealand Meat Producers Board, The Council for National Parks, The Meat and Livestock Commission, The Agricultural Training Board, The Health and Safety Executive, The Animal Health Distributors Association, The National Office of Animal Health, The Federation of Fresh Meat Wholesalers, The United Kingdom Agricultural Supply Trade Association. In addition the welfare and transport issues have meant almost daily contact with the representatives of The Road Haulage Association.

We also now have regular contact with the Royal Society for the Prevention of Cruelty to Animals and occupy a seat on the Advisory Board of Freedom Foods which is their welfare orientated Farm Assurance Scheme.

The regular contact we have with the various departments of the Ministry of Agriculture, Fisheries and Food continues and Council expresses its thanks for the cooperation and dialogue which takes place both at political level involving Ministers and more practical level involving Civil Servants.

There is also regular discussion with the Commission of the E.U. on all topical matters.

The George Hedley Memorial Award

The George Hedley Memorial Award for 1995 was won by Dr Agnes Winter for her outstanding services to the sheep industry through the Veterinary profession and in particular the practical role she plays within the Farm Animal Welfare Council.

The Sheep Centre and Staffing

Council is happy to report growing usage of the Sheep Centre by breed societies and others.

Staff complement continues with John Thorley as Chief Executive, Chris Lloyd as Commercial Manager, Tony Cave-Penney as European specialist, Mags Barrow as Company Secretary, Barbara Chandler as Finance Secretary and Elaine Evans as Membership Secretary.

Summary

1995 continued to reflect the trend started in previous years of greater interest being taken by people outside the industry. Council identifies the need to educate - in the broad sense - as being of prime importance. Health of the sheep has a pre-eminent position due to its association with public perception of welfare, real welfare and profitability. For these reasons it is bound to retain high priority.

Council takes the opportunity to place on record its thanks to all who have contributed in any way to making it a successful year for the Association. In particular to the many people who give up their time free of charge to attend meetings and participate in the debate to maintain a sheep industry for the benefit of all who are involved. Finally, to the Officers and Staff, Regional Secretaries, Ram Sale Secretaries. Without the network which has been built up over many years and which covers the whole of U.K., the Association could not function.

John Thorley
Chief Executive

MINUTES OF THE LAST MEETING

The 102nd Annual General Meeting of the National Sheep Association was held on Wednesday 24th May 1995 at The Winston Manor Hotel, Crowborough, East Sussex at 9.00 am.

PRESENT: Mr Joe Stoddart President
 Mr John Brigg Chairman of Council
 Mr Jim Brown Honorary Treasurer

TOGETHER WITH: Forty-one members of the National Sheep Association as listed in the Attendance Register.

President welcomed members, following which Chief Executive read the notice convening the meeting.

1. Apologies for absence were received from four members.
2. To confirm the minutes of the 101st Annual General Meeting.

These were confirmed and signed by the President following a proposal by Mr P Bolam, seconded by Mr J Scott.

- 3a. To receive the Report of Council to the year ended 31st December 1994

Chairman drew attention to the fact that the 1994 Annual Report and Accounts contained both "The Report of Council" written by Chief Executive/Secretary (Mr J Thorley) and also his "Chairman's Report" as he had wanted to write a more general report on his impression of the year.

President then highlighted some of the major problems of the year facing the sheep industry, namely:- the resurgence of sheep scab, use of Organophosphorus sheep dips, The Certificate of Competence, the privatisation of the Sheep and Goat Health Scheme and difficulties regarding the export of live animals. Secretary had attended many meetings regarding the export trade.

President went on to say how pleased he was that more meetings were being held at The Sheep Centre - facilities were excellent, the tables were sturdy and car parking easy. He remarked that the workload for staff continued to be heavy and that the work carried out by Mr Cave-Penney had helped considerably during the year. The introduction of "telephone meetings" had allowed more flexibility. During his first year as President he could clearly see that NSA was the only organisation which looked after the interests of UK sheep farmers. He felt more farmers should be members and asked current members to urge others to join.

- 3b. To receive Treasurer's Report and Statement of Accounts to the year ended 31 December 1994.

Noted that Treasurer's Report (1st paragraph, 4th line) should read "desired" not "deserved".

Treasurer remarked that the end of year figure of £56,017 was encouraging. The spread sheet facility on the computer had been most helpful in providing a guide on expenditure during the year. As part of the membership drive, British Wool Marketing Board had been asked to circulate a leaflet about NSA to all sheep farmers registered with them.

Treasurer drew attention to the last paragraph of his report regarding the need to introduce a pension scheme for staff.

Mr Clark said that Treasurer and staff were to be congratulated on the way costs had been kept under control.

- 3c. The adoption of both Report of Council and Statement of Account were proposed by Mr Owen Williams, seconded by Mr John Scott. All in favour.
4. To approve the Ordinary Resolution pursuant to Article 88 of the Memorandum and Articles of Association of the National Sheep Association (The Association):-

"It is hereby resolved that the Council's adoption of a Byelaw making the Council of the Association (or such Committee as they shall create) the Appeal body for individuals refused suspended or removed from membership of Associated Breed Societies be confirmed and henceforth known as Byelaw 1."

Secretary explained that under European law it was not possible for Breed Societies to refuse membership or to remove a member without a very good cause. The problem was raised a few years ago when a breed society had wanted to prevent someone from joining their society who lived outside UK. The person took the matter to the European Court and it was ruled that Breed Societies could not take such action. It was therefore suggested that each breed society should introduce to their Articles of Association, an article which would provide the necessary appeal structure for such a case. Instead of each breed society having to amend its Articles of Association, NSA Council agreed that NSA should add a Byelaw to its Articles as stated above and that as part of affiliation to NSA, Breed Societies would have to abide by this rule. This was a great saving to breed societies, although the facility may never need to be used the mechanism was now in place as was required by European law.

In response to a question regarding how a case would be dealt with, noted that the appellant would have to deposit some money and agree to accept the ruling.

The approval of the Resolution was proposed by Mr Johnston, seconded by Mr McDougall and unanimously agreed.

- 5 To elect:
- a. Officers for the ensuing year

President: Mr Joe Stoddart Proposed by: Mr J Gittins
Seconded by: Mr D Prosser

Hon. Treasurer: Mr Jim Brown

Proposed by: Mr J Scott
Seconded by: Mr G Horne

President thanked members for their support. He had thoroughly enjoyed his first year and added that Mr Bolam had been marvellous at standing back which could not have been easy after 11 years as President. He looked forward to his second year.

b. Vice-Presidents for the ensuing year.

Mr H Clark proposed that Messrs J Brown, G Hughes and K McDougall should be re-elected as Vice-Presidents and that Messrs P Bolam and J Johnston should also be elected Vice-Presidents. This proposal was seconded by Mr B Stevens and unanimously agreed.

c. Auditors

Proposed by: Mr D Prosser
Seconded by: Mr G David

6. No items of 'Any Other Business' were raised.

There being no further business President thanked members for attending and declared the meeting closed.

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TREASURER'S REPORT 1995

I am happy to report a successful financial year for the Association. Although the surplus is down as stated on page 12 from £56,000 in 1994 to £32,000 in 1995 it could be readily accounted for by the loss of sponsorship of £23,500 on page 17. This I might say is just by chance as the surplus is based on the consolidated accounts which, because of the financial structure of the Association, brings in many factors - something I will refer to later in my report. Referring to page 15 of the accounts, Headquarters office, the surplus has fallen from £48,669 in 1994 to £11,330 in 1995. Once again the loss of sponsorship plays a large part but does not account for all the drop. Turning over to page 16, the first three headings are an increase on the previous year but were allowed for in the budget. The fourth heading, Meeting and Travelling, showing an increase of £8,000 reflects the extra expenditure on the battle of the live export transport crisis. Having made these few points there are obviously many factors affecting our final result and it is a fortunate Treasurer when the balance falls on the right side. I must however give credit where it is due and thank our staff for their efforts in keeping costs to a minimum. A tighter grip in particular has been kept on the membership and subscriptions and the flow of figures to the Finance Committee has been a great improvement on what was previously available.

The change over from the Nat West to Lloyds Bank has been completed relatively smoothly and I am sure the closer proximity and personal contact with our Bank will have benefits in the future.

You may remember in my report last year I proposed we consider a pension scheme for our staff. Our initial advice on this policy from our legal and financial advisors was to proceed with caution as there were many pitfalls. The result has been rather muted progress on our part. The continued prominence given to this subject by the national media however cannot be ignored and I suggest that we should pursue this with a greater urgency.

No report would be complete without a mention of the B.S.E. crisis and what lessons we can learn from it. We can claim to be a leading voice in the sheep industry and when considering the beef crisis can only say 'there but for the grace of God go we'. The sheep industry has so far escaped a backlash by the skin of its teeth. So how would we cope with such a crisis in the sheep industry? Firstly policywise, do we take a leading part in the industry's defence or do we leave it to the Government and other farming institutions, suffering the loss of face and relegation to the second division of agricultural politics and negotiations? If it is the former we will need a contingency fund and here I refer you back to when I alluded to our financial structure. We saw the impact the live export campaign immediately made on Headquarter's accounts. Looking at page 24 of the accounts, H.Q. has a "carry forward" of NIL. The contingency fund, if there is such, lies in the regions and the ram sales. As Honorary Treasurer of the Association I think it is my responsibility to make all region and ram sale Chairmen and Secretaries aware that in these uncertain times, should a crisis arise, they may be called on for their financial support.

Finally I have to report to you that 1996 will be my final year as your Honorary Treasurer. The sands of time do not stand still for any of us. I hope to be in Ireland in 1997 and as the good people of that country say, "God willing", make the Financial report.

J F Brown
Honorary Treasurer

The National Sheep Association
A Company Limited by Guarantee

Management Report
for the year ended 31 December 1995

Results and dividends

The net surplus of the Association for the year was £32,207 (1994: £56,017).

The Council recommend that this be added to the reserves at the beginning of the period and that the balances of £254,221 held in the Central Reserve and £207,905 held in the Regional and Ram Sales Reserve be carried forward.

Review of the business

The Association's principal activity during the year was the promotion of activities beneficial to the business of sheep breeders and farmers. The Association is a registered charity (charity no 249255). There was no significant change in the conduct and performance of the Association during the period under review and it is not anticipated that any alteration will occur in the foreseeable future.

Land and buildings

The Council is of the opinion that the market value of the Association's freehold property is in excess of the net book amount but, in the absence of a recent valuation, the amount of the excess is not quantified.

Fixed assets

Details of the movements in fixed assets are given in note 5.

Directors

Directors serving in the year were:

J S Brigg
J F Brown
J W Stoddart

Auditors

A resolution will be proposed at the annual general meeting to re-appoint the Auditors, Critchleys.

By order of the Council



J Thorley
Chief Executive

1 May 1996

The National Sheep Association
A Company Limited by Guarantee

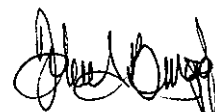
Statement of Council's Responsibilities

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those financial statements, the Council is required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable it to ensure that the financial statements comply with the Companies Act 1985. The Council is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Council



J S Brigg
Chairman
1 May 1996

**Auditors' report to the members of
The National Sheep Association
A Company Limited by Guarantee**

We have audited the financial statements on pages 17 to 25 which have been prepared under the historical cost convention, and the accounting policies set out on page 20.

Respective responsibilities of the council and auditors

As described on page 13, the Council of the Association is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Association's affairs as at 31 December 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Critchleys
Registered Auditors
Chartered Accountants**

2 May 1996

The National Sheep Association
A Company Limited by Guarantee

Central Income and Expenditure Account
for the year ended 31 December 1995

	1995		1994	
	£	£	£	£
Income from subscriptions				
Individual members	197,753		181,610	
Breed societies/Affiliated societies	2,960		2,880	
		200,713		184,490
Promotional income - Shows	33,370		38,451	
Show expenses	(25,458)		(34,691)	
		7,912		3,760
Income from carcass units	7,707		5,156	
Carcass expenses	(6,117)		(3,039)	
		1,590		2,117
Proceeds from Spring Event	7,609		7,961	
Spring Event expenses	(6,653)		(6,964)	
		956		997
Income from sheep services	709		1,664	
Sheep services expenses	(614)		(1,491)	
		95		173
Income from British Sheep	2,506		2,641	
Production costs British Sheep	(2,713)		(2,213)	
		(207)		428
Sales of promotional items	1,159		393	
Costs of promotional items	(708)		(1,235)	
		451		(842)
Income from Sheep UK	170		-	
Production costs Sheep UK	(5,038)		-	
		(4,868)		-
Other Income		206,642		191,123
Rental income	4,542		5,000	
Sponsorship	1,031		24,587	
Bank interest	2,467		612	
Miscellaneous income	920		4,303	
		8,960		34,502
Total Income		215,602		225,625
Total Expenditure		204,272		176,956
Surplus for year		11,330		48,669

The National Sheep Association
A Company Limited by Guarantee

Schedule of Expenditure
for the year ended 31 December 1995

	1995		1994	
	£	£	£	£
Administration Costs				
Secretarial fee and assistance	87,535		79,553	
General office expenses	2,226		2,439	
Printing and stationery	7,451		5,766	
Photocopying (including rental)	1,865		1,695	
Telephone (including rental)	6,053		6,678	
Postage and dispatching	11,433		10,658	
Depreciation furniture and equipment	2,314		1,452	
		118,877		108,241
Property Expenses				
Rates	1,317		1,760	
Property repairs at head office	1,000		893	
Other property repairs	1,512		-	
Insurance	5,346		5,047	
Heat and light	3,199		2,005	
		12,374		9,705
Promotional Expenses				
Awards and donations	1,764		55	
Costs of Sheep Farmer	5,334		6,170	
Advertising	566		964	
Membership promotion	7,512		508	
Commission on membership (recruiting)	290		340	
Representation and public relations	26,101		18,933	
Sheep nights	-		1,996	
Conferences	-		3,307	
Vehicle expenses	503		3,422	
Carcass units depreciation	1,661		2,077	
		43,731		37,772
Meetings and Travelling				
Travelling expenses and subsistence	19,084		10,366	
Committee rooms and refreshments	1,620		2,402	
		20,704		12,768
Financial and Professional Costs				
Bank charges	2,509		2,436	
Bank interest paid	-		387	
Bad debts	889		1,860	
Professional fees	2,188		1,287	
Auditors remuneration	3,000		2,500	
		8,586		8,470
Total Expenses		204,272		176,956

**The National Sheep Association
A Company Limited by Guarantee**

**Summarised Income and Expenditure Account
for the year ended 31 December 1995**

	1995	1994
	£	£
Turnover	488,479	419,949
Cost of sales	266,987	227,362
Gross profit	221,492	192,587
Administration Costs	204,272	176,569
	17,220	16,018
Other Income		
Rental income	4,542	5,000
Sponsorship	1,031	24,587
Miscellaneous income	920	4,303
	6,493	33,890
Operating surplus	23,713	49,908
Interest receivable and payable		
Interest received	8,494	6,496
Bank interest paid	-	(387)
	8,494	6,109
Surplus for year	32,207	56,017
Balances Carried Forward		
Regional and ram sales reserves		
Surplus for year	27,957	12,953
At head office	(7,080)	(5,605)
Central reserve	11,330	48,669
	32,207	56,017

None of the Association's activities were acquired or discontinued in the year. There were no recognised gains or losses in the year other than the surplus for the year.

**The National Sheep Association
A Company Limited by Guarantee**

Statement of Financial Activities

	Unrestricted Funds			
	Central	Regions & Ram sales	Total 1995	Total 1994
	£	£	£	£
Income and expenditure				
Notes	a	b		
Incoming resources				
Subscriptions	200,713	-	200,713	184,490
Promotional activities	53,230	234,536	287,766	235,459
Investments	2,467	6,027	8,494	6,496
Other income	6,493	-	6,493	33,890
Total incoming resources	<u>262,903</u>	<u>240,563</u>	<u>503,466</u>	<u>460,335</u>
Resources expended				
Direct charitable expenditure	91,032	219,686	310,718	265,133
Management and administration	160,541	-	160,541	139,184
Total resources expended	<u>251,573</u>	<u>219,686</u>	<u>471,259</u>	<u>404,317</u>
Net incoming resources for the year	11,330	20,877	32,207	56,018
Other recognised gains or losses	-	-	-	-
Net movement of funds	11,330	20,877	32,207	56,018
Balances brought forward	<u>242,891</u>	<u>187,028</u>	<u>429,919</u>	<u>373,901</u>
Balances carried forward	<u>254,221</u>	<u>207,905</u>	<u>462,126</u>	<u>429,919</u>

a) Incoming resources are detailed on page 15.

Direct charitable expenditure comprises expenses on page 15 plus promotional expenses on page 16.

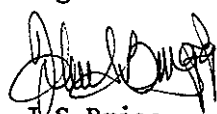
b) Regions and Ram sales accounts are detailed in note 8.

**The National Sheep Association
A Company Limited by Guarantee**

**Balance Sheet
as at 31 December 1995**

	1995		1994	
	£	£	£	£
Fixed assets				
Tangible Assets	5	301,885		285,132
Current assets				
Stock	6	6,962		7,011
Debtors	7	199,387		188,305
Cash at Bank and in Hand		11,624		13,958
		<u>217,973</u>		<u>209,274</u>
Creditors:				
amounts due within one year	9	<u>57,732</u>		<u>64,487</u>
Net current assets		<u>160,241</u>		<u>144,787</u>
Net assets		<u><u>462,126</u></u>		<u><u>429,919</u></u>
 Central and Regional Reserves	 10			
Central reserve		254,221		242,891
Regional and ram sales reserve		207,905		187,028
		<u><u>462,126</u></u>		<u><u>429,919</u></u>

Signed on behalf of the Council



J S Brigg (Chairman)

Approved by the Council on 1 May 1996

The National Sheep Association
A Company Limited by Guarantee

Notes to the Accounts
for the year ended 31 December 1995

1. Accounting policies

- a. The Accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards
- b. No depreciation has been charged on freehold land and buildings. In this respect the accounts do not comply with the Companies Act 1985 nor with Statement of Accounting Practice 12.

The Council is of the opinion that depreciation of the freehold property is not appropriate as the buildings are maintained to such a standard that their realisable value is greater than the net book value.

No further depreciation is being provided on either of the two Show Pavilions, which in past years have been written down to a net book value of £6000 each, as the Council are of the opinion that their value is considerably in excess of this amount. Additions to the Royal Welsh Pavilion have been depreciated at 5%.

Depreciation is provided on other tangible assets using the following bases and annual rates:

Vehicles	25%	- Reducing Balance
Hurdles	15%-25%	- Reducing Balance
Computer	25%	- Straight Line
Furniture and Equipment	10%-25%	- Reducing Balance
Display Trailers	25%	- Reducing Balance
Carcass Display Units	20%	- Reducing Balance

- c. Stock is valued at the lower of cost or net realisable value.
- d. The summarised income and expenditure account and balance sheet include regional income and expenditure and assets under the detailed headings.
- e. The company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a cash flow statement for the year, on the grounds that it is entitled to the exemptions available in sections 246 to 247 of the Companies Act 1985 for small companies.
- f. Tangible fixed assets acquired under hire purchase contracts are capitalised at the estimated fair value at the date of inception of the contract. The total finance charges are allocated over the period of the contract in such a way as to give a reasonably constant charge on the outstanding liability.

2. Sponsorship Income

Sponsorship monies were allocated to support the following:

1. Technical conferences and publications.
2. Ram sales and ancillary equipment.
3. Agricultural show stands and equipment.

The National Sheep Association
A Company Limited by Guarantee

Notes to the Accounts
for the year ended 31 December 1995

3. Surplus for the year

	<u>1995</u> £	<u>1994</u> £
Surplus is stated after charging:		
Depreciation of owned assets	10,125	9,258
Depreciation of assets under hire purchase	1,125	-
Auditors remuneration	3,000	2,500
Accountancy fees	1,926	1,287
	<u> </u>	<u> </u>
and after crediting:		
Rental income	4,542	5,000
	<u> </u>	<u> </u>

4. Staff costs

The average number employed by the company,
including directors, within each category
of persons was:

	<u>1995</u>	<u>1994</u>
Administration	9	9
	<u> </u>	<u> </u>

The costs incurred, in respect of these
employees were:

	<u>1995</u> £	<u>1994</u> £
Remuneration	80,204	74,534
Social security costs	7,331	5,019
	<u> </u>	<u> </u>
	87,535	79,553
	<u> </u>	<u> </u>

No employee earned £40,000 or more.

The directors of the company do not receive any remuneration.

The National Sheep Association
A Company Limited by Guarantee

Notes to the Accounts
for the year ended 31 December 1995

5. Tangible fixed assets

	Cost at 01.01.95 £	Additions (Disposals) £	Cost at 31.12.95 £	Net Book Value 31.12.95 31.12.94 £	
Freehold Property	232,740	7,329	240,069	240,069	232,740
Hurdles	44,224	11,530	55,754	19,510	12,890
Furniture and Equipment	26,847	4,900	31,747	9,666	7,334
Computer	20,770	-	20,770	2,335	3,744
Display Trailers	7,399	-	7,399	237	316
Royal Welsh Pavilion	45,686	4,244	49,930		
Royal Welsh Pavilion Grant	(13,883)	-	(13,883)	17,422	13,801
Royal Show Pavilion	31,614		31,614		
Royal Show Pavilion Grant	(11,994)	-	(11,994)	6,000	6,000
Carcass Display Units	20,283	-	20,283	6,646	8,307
	<u>403,686</u>	<u>28,003</u>	<u>431,689</u>	<u>301,885</u>	<u>285,132</u>
Depreciation			at 01.01.95	charge for year	at 31.12.95
Freehold Property			-	-	-
Hurdles			31,334	4,910	36,244
Furniture and Equipment			19,513	2,568	22,081
Computer			17,026	1,409	18,435
Display Trailers			7,083	79	7,162
Royal Welsh Pavilion			18,002	623	18,625
Royal Show Pavilion			13,620	-	13,620
Carcass Display Units			11,976	1,661	13,637
			<u>118,554</u>	<u>11,250</u>	<u>129,804</u>

Tangible Fixed Assets includes, in respect of assets held under hire purchase contracts, assets with a net book value of £3,375 (1994 £nil). Depreciation on these assets is shown in note 3.

There was no capital expenditure authorised or contracted for at the balance sheet date (1994 none).

**The National Sheep Association
A Company Limited by Guarantee**

**Notes to the Accounts
for the year ended 31 December 1995**

6. Stocks

	<u>1995</u> £	<u>1994</u> £
Stock of books and promotional items	6,962	7,011

7. Debtors

	<u>1995</u> £	<u>1994</u> £
Trade debtors	8,949	10,275
Prepayments	4,779	4,152
Other debtors	11,760	14,206
Balances held in regions and ram sales	173,899	159,672
	<u>199,387</u>	<u>188,305</u>

The National Sheep Association
A Company Limited by Guarantee

Notes to the Accounts
for the year ended 31 December 1995

9. Creditors - amounts falling due
within one year

	1995 £	1994 £
Trade creditors	12,144	7,241
Accruals	14,843	2,850
Bank overdraft	1,495	7,396
Loans from regions	27,000	47,000
Hire purchase	2,250	-
	<u>57,732</u>	<u>64,487</u>

10. Reserves

Unrestricted reserves

	Central Reserve £	Regional & Ram sales Reserve £	Total £
Balance at 1 January 1995	242,891	187,028	429,919
Retained surplus for the year	11,330	27,957	39,287
Services to regions and ram sales	-	(7,080)	(7,080)
Balance at 31 December 1995	<u>254,221</u>	<u>207,905</u>	<u>462,126</u>

Analysis of net assets between reserves

Tangible fixed assets	267,879	34,006	301,885
Net current assets	(13,658)	173,899	160,241
Total	<u>254,221</u>	<u>207,905</u>	<u>462,126</u>

The National Sheep Association
A Company Limited by Guarantee

Notes to the Accounts
for the year ended 31 December 1995

8. Regional Accounts

Transactions at the Regions and Ram Sales and at Head Office on behalf of the Regions and Ram Sales:

		Receipts	Interest	Payments	Surplus/ (Deficit) for Year	Transfers/ Adjustments	Brought Forward	Carried Forward
		£	£	£	£	£	£	£
Scottish and Scotsheep	Region	52,075	1,859	(37,908)	16,026	-	20,770	36,796
	Head Office	-	-	(362)	-	-	-	-
	Capital	-	-	-	-	-	-	-
Northern	Region	106	1,042	(5,850)	4,702	-	31,158	26,456
	Head Office	-	-	(144)	-	-	-	-
	Capital	-	-	-	-	-	-	-
Wales & Border	Region	14,964	399	(18,280)	(2,917)	-	7,856	4,939
	Head Office	-	-	-	-	-	-	-
Wales & Border Ram Sale	Region	119,295	1,196	(104,633)	15,858	-	48,214	54,522
	Head Office	-	-	(4,781)	-	-	-	-
	Capital	-	-	(9,550)	-	-	-	-
South West	Region	16,128	558	(11,766)	4,920	-	8,163	13,083
	Head Office	-	-	-	-	-	-	-
South West Ram Sale	Region	13,671	615	(10,841)	3,445	-	23,565	22,830
	Head Office	-	-	(1,793)	-	-	-	-
	Capital	-	-	(4,180)	-	-	-	-
South Eastern	Region	500	329	(4,656)	(3,827)	-	13,367	9,540
	Head Office	-	-	-	-	-	-	-
South Sheep	Region	-	-	-	-	-	-	-
Central	Region	1,253	-	(827)	426	-	1,365	1,791
	Head Office	-	-	-	-	-	-	-
Eastern	Region	5,599	29	(6,174)	(546)	-	3,552	3,006
	Head Office	-	-	-	-	-	-	-
Northern Ireland	Region	10,945	-	(11,671)	(726)	-	1,662	936
	Head Office	-	-	-	-	-	-	-
<hr/>								
At Regions		234,536	6,027	(212,606)	27,957	-	159,672	173,899
At Head Office		-	-	(7,080)	(7,080)	-	-	-
Capital Purchases		-	-	(13,730)	-	-	-	-
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