

The Southdown Sheep Society
Company Limited by Guarantee
Unaudited financial statements
31 December 2019

The Southdown Sheep Society

Company Limited by Guarantee

Financial statements

Year ended 31 December 2019

	Page
Members' annual report (incorporating the directors' report)	1
Independent examiner's report to the members	5
Statement of financial activities (including income and expenditure account)	6
Balance sheet	7
Notes to the financial statements	8

The Southdown Sheep Society

Company Limited by Guarantee

Members' annual report (incorporating the directors' report)

Year ended 31 December 2019

The members, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Companies Act 2006 and 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 (FRS102) (effective 1 January 2015) (as amended by Update Bulletin 1 published on 2 February 2016 and Update Bulletin 2 published on 5 October 2018).

The Southdown Sheep Society

Company Limited by Guarantee

Members' annual report (incorporating the director's report) *(continued)*

Year ended 31 December 2019

Reference and administrative details

Registered charity name	The Southdown Sheep Society
Charity registration number	266713
Company registration number	00035585
Principal office and registered office	Meens Farm Capps Lane All Saints Halesworth Suffolk IP19 0PD

The members

The trustees who served during the year and at the date of approval were as follows:

President:	Michael Sprake
President Elect:	Les Newman

Members of Council

Chairman of Council:	Jonathan Long
Vice Chairman:	Howard Wood
Honorary Treasurer:	Neil Stainthorpe

Other Members	Justin Harmer Stephen Humphrey Nicole Peart (resigned 7 September 2019) Dylan Williams (resigned 22 July 2019) Duncan Crundwell Paul Humphrey Miriam Parker Lindsay Dane Patrick Goldsworthy MBE Tim Morris Nick Page Sidney Cook John Harmer (elected 7 September 2019) Adam Brown (resigned 30 October 2019)
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Company secretary	Mrs G Sprake
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Independent examiner	Mr J P Shipp FCCA ACA Lovewell Blake LLP Chartered Accountants The Wherry Quay Street Halesworth Suffolk IP19 8ET
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The Southdown Sheep Society

Company Limited by Guarantee

Members' annual report (incorporating the directors' report) *(continued)*

Year ended 31 December 2019

Objectives and activities

a. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

The Council have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Council consider how planned activities will contribute to the aims and objectives they have set.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

a. REVIEW OF ACTIVITIES

The Southdown Sheep Society has engaged in activities during 2019 in order to promote the breed and encourage and increase membership and the registration of breeding sheep. The annual National Show was held at the Royal Cheshire County Show and attracted over 100 entries. The Annual General Meeting and Field Day was held in September at The Sheep Centre, Malvern, Worcestershire. Regional Breeder Groups organise meetings to share knowledge and advice within the local area.

b. INVESTMENT POLICY AND PERFORMANCE

The Council has considered the most appropriate policy for investing funds and has found that CCLA Investment Management Ltd COIF Charity Funds and Cambridge and Counties Bank meet their requirements to general income.

Financial review

a. RESERVES POLICY

The Council has established a policy to maintain unrestricted funds which are free reserves of the charity at a level which equates to approximately twenty four months unrestricted expenditure. This provides sufficient funds to cover management administration and support costs.

The balance held as unrestricted at 31 December 2019 was £56,740, of which £56,552 are regarded as free reserves, after allowing for funds tied up in tangible fixed assets. The Council consider that sufficient unrestricted resources are held.

Plans for future periods

a. FUTURE DEVELOPMENTS

The Society plans to continue the activities as authorised above in the forthcoming years subject to satisfactory funding arrangements.

Since the year end the world has been affected by the Covid-19 pandemic. This has had an immediate effect on the Society's activities with human movement restrictions causing the cancellation of many face to face activities, including shows and meetings of Council. The short and long-term impacts on the sheep industry is unclear, but it is expected both demand and prices may suffer. We are living in exceptional times.

The Council recognises that there may well be a substantial reduction in the Society's income for the year and intends to mirror this by reducing expenditure where possible in order to maintain the Society's reserves. It is hoped that the membership will continue to support the Society as much as possible and hopefully things will return to a more normal year in 2021.

The Southdown Sheep Society

Company Limited by Guarantee

Members' annual report (incorporating the directors' report) *(continued)*

Year ended 31 December 2019

Structure, governance and management

a. CONSTITUTION

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 6 January 1892.

The purpose of the company is to encourage the breeding of Southdown Sheep and the maintenance of the purity of the breed and to this purpose the compilation and publication of a flock book and the arrangement of shows and classes for which prizes may be donated or augmented.

The obligations of the members are to pay the Society an annual subscription according to the scale determined by the Council.

There have been no changes in the charitable purposes since the last annual report.

b. METHOD OF APPOINTMENT OR ELECTION OF COUNCIL MEMBERS

The Society is managed on a daily basis by Mrs Gail Sprake.

The management of the company is the responsibility of the Council members who are elected and co-opted under the terms of the Articles of Association, as amended on 10 August 2013.

The members' annual report and the strategic report were approved on and signed on behalf of the board of trustees by:

Mr Jonathan Long
Chairman

The Southdown Sheep Society

Company Limited by Guarantee

Independent examiner's report to the members of The Southdown Sheep Society

Year ended 31 December 2019

I report to the charity members on my examination of the financial statements of the company for the year ended 31 December 2019 which comprise the statement of financial activities (including income and expenditure account), balance sheet and the related notes.

Responsibilities and basis of report

As the charity's members of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
Mr J P Shipp FCCA ACA
Independent Examiner

Lovewell Blake LLP
Chartered Accountants
The Wherry
Quay Street
Halesworth
Suffolk
IP19 8ET

Date

The Southdown Sheep Society

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

Year ended 31 December 2019

		2019		2018
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	5	2,683	2,683	2,260
Charitable activities	6	27,577	27,577	28,355
Other trading activities	7	133	133	445
Investment income	8	803	803	691
Total income		<u>31,196</u>	<u>31,196</u>	<u>31,751</u>
Expenditure				
Raising funds:				
Costs of raising donations and legacies	9	127	127	358
Charitable activities	10	43,657	43,657	28,382
Other expenditure	11	3,824	3,824	3,804
Total expenditure		<u>47,608</u>	<u>47,608</u>	<u>32,544</u>
Net expenditure and net movement in funds		<u>(16,412)</u>	<u>(16,412)</u>	<u>(793)</u>
Reconciliation of funds				
Total funds brought forward		73,152	73,152	73,945
Total funds carried forward		<u>56,740</u>	<u>56,740</u>	<u>73,152</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The Southdown Sheep Society

Company Limited by Guarantee

Balance sheet

31 December 2019

	Note	2019 £	£	2018 £	£
Fixed assets					
Tangible fixed assets	14		188		251
Current assets					
Stocks	15	265		375	
Debtors	16	3,943		5,264	
Cash at bank and in hand		60,510		74,008	
		64,718		79,647	
Creditors: Amounts falling due within one year	17	(8,166)		(6,746)	
Net current assets			56,552		72,901
Total assets less current liabilities			56,740		73,152
Net assets			56,740		73,152
Funds of the charity					
Unrestricted funds			56,740		73,152
Total charity funds	18		56,740		73,152

For the year ending 31 December 2019 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on, and are signed on behalf of the board by:

.....
Mr Jonathan Long
Chairman

.....
Mr Neil Stainthorpe
Honorary Treasurer

Company registration number: 00035585

The Southdown Sheep Society

Company Limited by Guarantee

Notes to the financial statements

Year ended 31 December 2019

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Meens Farm, Capps Lane, All Saints, Halesworth, Suffolk, IP19 0PD.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006 and the Charities Act 2011. The charity has applied Update Bulletin 1 as published on 2 February 2016 and Update Bulletin 2 published on 5 October 2018.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity constitutes a public benefit entity as defined by FRS 102.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the members for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

The Southdown Sheep Society

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.
- income from investments by way of bank interest is recognised based on the period the interest accrues in.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

The Southdown Sheep Society

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	25% reducing balance
Fixtures and fittings	-	25% reducing balance

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

4. Limited by guarantee

The company is limited by guarantee whereby the members of the company guarantee the liabilities of the company to the extent of £1 per member.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Donations				
Donations	1	1	157	157
Gift Aid reclaimable	2,682	2,682	2,103	2,103
	<u>2,683</u>	<u>2,683</u>	<u>2,260</u>	<u>2,260</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Subscriptions	11,540	11,540	12,221	12,221
Registrations	11,697	11,697	12,459	12,459
Publications	2,220	2,220	2,230	2,230
Flock competition	350	350	200	200
Miscellaneous income	1,770	1,770	1,245	1,245
	<u>27,577</u>	<u>27,577</u>	<u>28,355</u>	<u>28,355</u>

Income from registrations

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Ram entries	4,335	4,335	4,151	4,151
Ewe entries	5,835	5,835	6,272	6,272
Late ram entries	295	295	315	315
Late ewe entries	998	998	1,485	1,485
Import registration	25	25	-	-
Export Levy	37	37	-	-
Pedigree certificates and charges	172	172	236	236

The Southdown Sheep Society

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 December 2019

7. Other trading activities

	Unrestricted Funds	Total Funds 2019	Unrestricted Funds	Total Funds 2018
	£	£	£	£
Merchandise sales	<u>133</u>	<u>133</u>	<u>445</u>	<u>445</u>

8. Investment income

	Unrestricted Funds	Total Funds 2019	Unrestricted Funds	Total Funds 2018
	£	£	£	£
Bank interest receivable	<u>803</u>	<u>803</u>	<u>691</u>	<u>691</u>

9. Costs of raising donations and legacies

	Unrestricted Funds	Total Funds 2019	Unrestricted Funds	Total Funds 2018
	£	£	£	£
Fundraising expenses	<u>127</u>	<u>127</u>	<u>358</u>	<u>358</u>

10. Expenditure on charitable activities

	Unrestricted Funds	Total funds 2019	Total funds 2018
	£	£	£
Competition expenses	1,316	1,316	1,598
Show and field day expenses	1,151	1,151	2,180
Flock book printing	2,525	2,525	2,400
Year book and breeders directory	2,258	2,258	2,436
Newsletter	1,420	1,420	2,070
Postage	2,488	2,488	2,209
Printing and stationery	1,546	1,546	2,057
Veterinary fees	426	426	342
Website and advertising expenses	2,368	2,368	2,107
Motor and travel expenses	338	338	1,031
Legal and professional fees	18,821	18,821	1,452
Secretary's fees	<u>9,000</u>	<u>9,000</u>	<u>8,500</u>
	<u>43,657</u>	<u>43,657</u>	<u>28,382</u>

The Southdown Sheep Society

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 December 2019

11. Other expenditure

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Communication and IT costs	1,249	1,249	1,276	1,276
Depreciation	63	63	84	84
Insurance	729	729	705	705
Cost of trustees meetings	558	558	584	584
Sundry	13	13	79	79
Subscriptions	240	240	140	140
Independent examination fees	972	972	936	936
	<u>3,824</u>	<u>3,824</u>	<u>3,804</u>	<u>3,804</u>

12. Staff costs

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

13. Trustee remuneration and expenses

The following reimbursements of expenditure incurred by members on behalf of the Society, were paid to society members during the year:

M Robertson £16.10 (engraving)

A Brown £21.00 (NSA travel with livestock)

N Stainthorpe £192.92 (travelling expenses re Flock Competition)

14. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 January 2019 and 31 December 2019	<u>1,126</u>	<u>1,800</u>	<u>2,926</u>
Depreciation			
At 1 January 2019	1,115	1,560	2,675
Charge for the year	3	60	63
At 31 December 2019	<u>1,118</u>	<u>1,620</u>	<u>2,738</u>
Carrying amount			
At 31 December 2019	<u>8</u>	<u>180</u>	<u>188</u>
At 31 December 2018	<u>11</u>	<u>240</u>	<u>251</u>

15. Stocks

	2019 £	2018 £
Raw materials and consumables	<u>265</u>	<u>375</u>

The Southdown Sheep Society

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 December 2019

16. Debtors

	2019 £	2018 £
Trade debtors	3,943	5,264

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income	<u>8,166</u>	<u>6,746</u>

18. Analysis of charitable funds

Unrestricted funds

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
General funds	<u>73,152</u>	<u>31,196</u>	<u>(47,608)</u>	<u>56,740</u>

	At 1 January 2018 £	Income £	Expenditure £	At 31 December 2018 £
General funds	<u>73,945</u>	<u>31,751</u>	<u>(32,544)</u>	<u>73,152</u>

19. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2019 £
Tangible fixed assets	188	188
Current assets	<u>56,552</u>	<u>56,552</u>
Net assets	<u>56,740</u>	<u>56,740</u>

	Unrestricted Funds £	Total Funds 2018 £
Tangible fixed assets	251	251
Current assets	<u>72,901</u>	<u>72,901</u>
Net assets	<u>73,152</u>	<u>73,152</u>