

REGISTERED COMPANY NUMBER: SC055423 (Scotland)

REGISTERED CHARITY NUMBER: SC007271

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
for the year ended 31 March 2022
FOR
THE BRITISH TEXEL SHEEP SOCIETY LIMITED
(A COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL)**

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

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for the year ended 31 March 2022

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THE BRITISH TEXEL SHEEP SOCIETY LIMITED

REPORT OF THE DIRECTORS AND TRUSTEES for the year ended 31 March 2022

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE DETAILS

Charity name:	The British Texel Sheep Society
Charity known as:	Texel Sheep Society
Charity registration number:	SC007271
Company registration number:	SC055423 (Scotland)
Registered office:	The Mechanics Workshop New Lanark Lanark South Lanarkshire ML11 9DB
Operational address:	Unit 74 4th Street Stoneleigh Park Kenilworth Warwickshire CV8 2LG

Directors / Trustees

R Campbell - President and Chairman	
J Aiken – V President and V Chairman	
A Barr – Hon Treasurer	resigned 17.11.2021
S Beachell	appointed 26.05.2021
B Booker	appointed 26.05.2021
J Elliot	appointed 26.05.2021
A R Gault	
G M Hill	resigned 26.05.2021
A M Howie	appointed 17.11.2021
D R Jones	
G J Knox	
R Laird	appointed 18.11.2021
S Martin	
D J McKerrow	resigned 26.05.2021
P J Mitchell	
S Richardson	resigned 26.05.2021
S J Smith	

Company Secretary and Chief Executive Officer

J A Yates

Our advisers

Auditors	Dafferns LLP	One Eastwood, Binley Business Park, Coventry, CV3 2UB
Bankers	The Royal Bank of Scotland	Wavertree Technology Park, Liverpool, L13 1HE
Solicitors	Lodders Solicitors LLP	10 Elm Court, Arden Street, Stratford upon Avon, CV37 6PA
Investment advisers	Sterling Financial Advisers Ltd	James House, Newport Road, Albrighton, Wolverhampton, WV7 3FA

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

REPORT OF THE DIRECTORS AND TRUSTEES for the year ended 31 March 2022

OBJECTIVES AND ACTIVITIES

The principal activity of the Society in the year under review was that of encouraging, promoting and improving the breeding of Texel sheep. The Society assists its members in the maintenance, development and promotion of the breed and its influence for the advancement of the arts, heritage, culture and science. The Society consistently and regularly reviews and improves where appropriate the level of services offered to its members.

ACHIEVEMENTS AND PERFORMANCE

The escalating and sporadic disruption from the COVID19 pandemic continued throughout the year, requiring the society to be flexible and remain vigilant to fast changing rules issued by central and devolved governments, whilst the Society delivered its services.

The Society Board have a vision of adopting digital technology, critical to providing and future proofing its modern services on behalf of its membership and in support of the promotion and development of the breed.

The Board remain focused on maintaining, developing, and delivering core services, in support of the Society's charitable purpose. Specific to this aim, is the retention of high-quality staff, resourced with the most appropriate modern databases. Breed development and data collection activity is clearly defined in the Society strategy documents, assisting the future proofing of Society services and retaining the breeds enviable position in the marketplace.

Business performance highlights;

- Development (Phase 2 and 3) of the iTexel database with £77,722 investment capitalised, providing enhanced functionality for flock registry management, storage and reporting of traits data, cataloguing and animal / member search tools.
- Project completed; £23,904 part funded by Centre for Innovation Excellence in Livestock (CIEL), matched funded with £29,216 of society funds, focused on business road mapping to support for genetic and genomic evaluation services. Supported by a collaboration between the Society, Abacus Bio, SRUC Egenes and Map of Ag (Rezare UK Ltd).
- Review of texelplus genetic improvement services with a £35,000 annual commitment made by the board to vastly reduce the cost of this service to members. Encouraging increase of collection of trait measures and use of evaluations.
- The Board approved a £85,000 project with Abacus Bio for a major review of the Society's "Texel Breeding Objective" (January-August 2022), £26,700 included in the current year. Objectives providing industry leading initiative, moving trait indexes to Economic Indexes, with additional reports of economic and environmental impact assessment of the breed as a result of genetic improvement.
- Highly successful sales cataloguing services provided through iTexel to support club administrators, with digital sales entries and collection and reimbursement of £43,000 entry fees on behalf of clubs.

£798,266 income was received (2021 £860,262) a decrease of £61,996 (7.2%). A similar decrease to previous years as research projects complete as described in note 18.

Operational income, excluding research projects from core areas of membership services provided; Subscriptions, £118,615 (2021 £125,221) a fall of £6,606 (5.2%), influenced by the removal of a number of aged debtors related to unpaid memberships.

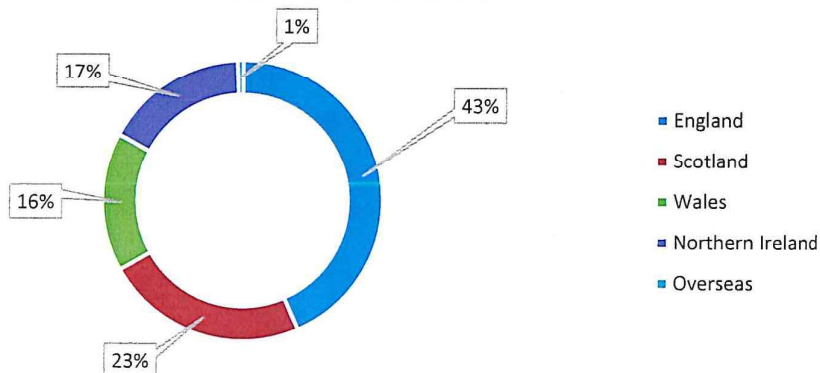
THE BRITISH TEXEL SHEEP SOCIETY LIMITED

REPORT OF THE DIRECTORS AND TRUSTEES for the year ended 31 March 2022

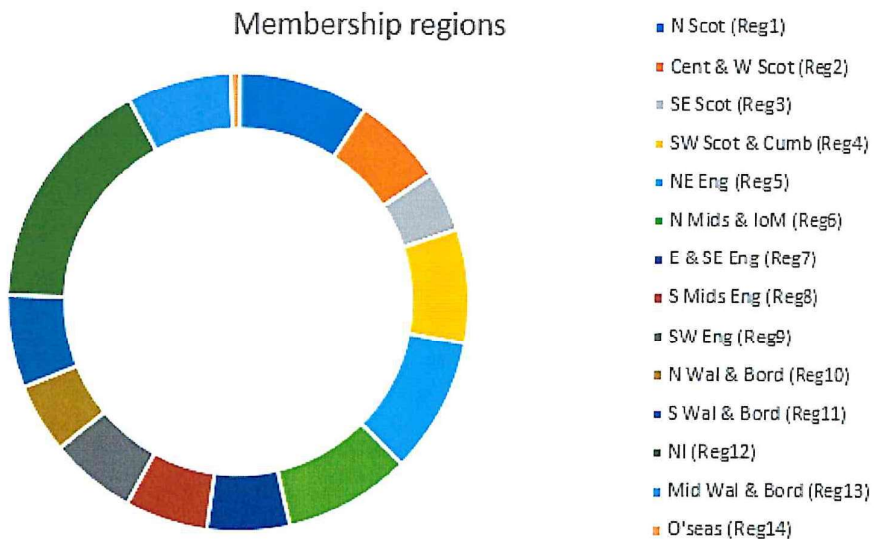
ACHIEVEMENTS AND PERFORMANCE (cont'd)

Membership demographics are shown in the charts:

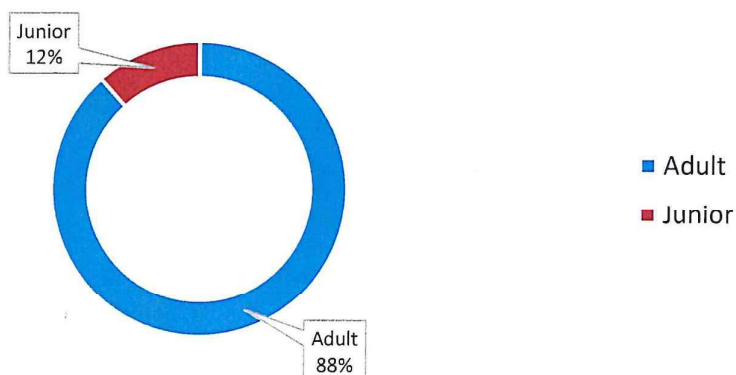
Location of members



Membership regions



Adult / junior membership

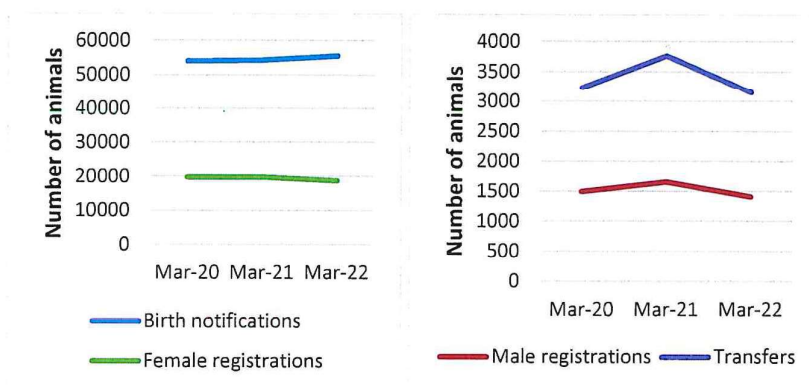


THE BRITISH TEXEL SHEEP SOCIETY LIMITED

REPORT OF THE DIRECTORS AND TRUSTEES for the year ended 31 March 2022

ACHIEVEMENTS AND PERFORMANCE (cont'd)

Registration's income provided £442,309 (2021 £475,299) a fall of £32,990 (6.94%). The fall was as a result of a proactive initiative of discounting fees to members, which provided an incentive to support members and shift behaviour to digital services available through the Society new database iTexel, as part of a medium-term efficiency strategy. Physical inflow of core registry is encouraging with registry inflow stable with an increase of birth notifications during the review period.



The Board considers collection of performance trait data from the members flocks important for the breeds development and monitoring, along with its use for research activity. The Board reduced texelplus service fees to assist the promotion and uptake of the service. As a result, income from texelplus member service fees will reduce considerably in the next financial year, with only a modest decline in the year under review, whilst costs for the service will remain. £27,003 (2021 £36,447) a fall of £9,444 (25.9%).

Sales auctions income recovered during the year, following the previous year's impact from COVID 19 and the social distancing rules in place at that time. £126,409 (2021 £116,285) an increase of £10,124 (8.7%).

Gift Aid is an important income to support the Society's charitable purposes. An increased focus on cleaning member data, and the acceptance of new memberships through online membership forms has resulted in improved uptake and consent to Gift Aid to the benefit of the Society. £11,000 (2021 £9,560) an increase of £1,440 (15.06%).

Income from charitable activities ended £798,202 (2021 £845,945) of which £29,363 (2021 £32,974) was attributable to restricted funds and £768,839 (2021 £812,971) was attributable to unrestricted funds.

Expenditure of £748,806 (2021 £677,725) was required to support operational service and research activity.

Expenditure on charitable activities of £747,006 (2021 £674,212) provided an increase of £72,794 (10.79%). Salary costs of £247,961 (2021 £263,654) reduced similar to previous year. Staffing restructure continued, as a result of investment in new databases that are now operating effectively, providing increased efficiency for administration of Society registry and accounting procedures. Income protection insurance cover of £22,153 was received in the period.

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

REPORT OF THE DIRECTORS AND TRUSTEES for the year ended 31 March 2022

ACHIEVEMENTS AND PERFORMANCE (cont'd)

Operating performance for the period under review provides a net contribution of £62,765 (2021 net contribution £245,516) including investment performance gain of £13,305 (2021 gain £62,979).

The Society's total funds carried forward total £1,186,947 (2021 £1,124,182).

Financial Review

The net income for the year amounted to £62,765. This amount has been added to reserves brought forward leaving fund balances of £1,186,947 at the end of the year. The results achieved for the year under review are what the Board considers to be closer to a normal operating performance, having navigated through several years impacted by large research project activity and whilst continuing to manage the impact from the COVID19 Pandemic.

Reserves policy

It is the policy of the Society to maintain unrestricted funds excluding tangible fixed assets, that are not designated, which are free reserves of the Society of approximately eighteen months of unrestricted expenditure. This is intended to provide sufficient funds to cover management, administration, and promotional costs. Free unrestricted reserves at 31 March 2022 stood at £702,910 compared with unrestricted expenditure in the year of £700,212.

Investment policy

The Board of Trustees considered the most appropriate policy for investing funds during the period to be the use of managed Share Portfolio accounts for long term investment opportunity as well as short term cash held within the Direct Reserve Account. The Boards Finance & General Committee routinely engage with the Society's Independent Financial Advisor.

Plans for future periods

Maintaining core services to membership that are fit for the future is essential if the Society is to remain of purpose, be financially sustainable and successful. The societies digital vision, improving data services and member and industry communications remains important. The next steps involve attracting new funds to the society through collaborative research projects, further investment in its iTexel database to support added value services to its membership, assessment of the potential for publishing genomic information, supported by optimising the society texelplus phenotyping and genotyping genetic improvement programme. With continued maintenance of its shows and sales activity

The Society operates in a changing landscape with government Agri policies now taking shape being implemented over its 7-year transitional period that began in 2021. The new Agri policies whilst do not directly impact the Society, indirectly impact as they disrupt farming income, both changing behaviour of farmers and the income they receive. It is these farming businesses that largely make up the demographic of the Society membership and remain the focus for developing Society services for their benefit.

Therefore, improvements in data collection and storage and the exploitation of genomic technologies for enhanced pedigree services and to support breed development is critical. These activities require the Society's own investment and where appropriate and available, grant support will be sought and utilised for R&D activity, in collaboration with strategic partners.

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

REPORT OF THE DIRECTORS AND TRUSTEES for the year ended 31 March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Society is a registered Charity No: SC007271. Annual Reports and accounts are submitted to the Office of the Scottish Charity Commissioners following formal approval by the membership at the Annual General Meeting. The Society is a Company limited by guarantee and not having a Share Capital, incorporated on the 10 April 1974. The Society is governed by its Articles of Association (Company No: SC055423), which includes wide investment powers. For the purposes of the Companies Act 2006 members of the Board are treated as directors for which services they receive no remuneration.

A full copy of the Society's Articles of Association is available to all members at www.texel.uk/our-society/society-rules/ and also from the Company Secretary at the Society's operational address.

Organisational structure

The Board of Trustees administers the Charity. The Board meets on a regular basis. Within the Board, trustees are nominated to represent specific areas covering Breed Development, Shows, Sales and Promotions, Finance & Governance. A Chief Executive is appointed by the Board of Trustees to manage the day-to-day operations of the charity and to provide vision. To facilitate effective operations and accountability the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational and strategic matters including finance and employment.

Recruitment and appointment of new trustees

The Articles of Association allows for the appointment of twenty trustees (Directors), with effect from October 2011, directors are eligible to serve for a period of four years and if successfully re-elected to a maximum of 12 consecutive years before having to step down for a minimum of four years prior to further re-election. The Board resolved to reduce their number to thirteen, each of which is elected by members on a regional basis. The Trustees also have the power to co-opt further members to the Board to fill specialist roles, always provided that the total Board size does not exceed twenty members. All members within the region of the retiring trustees are circulated with invitations to nominate trustees prior to the AGM. All new Trustees undergo orientation and training to brief them on their legal obligations and compliance under charity and company law, the content of the Articles of Association, the committee and decision-making process, the business plan and recent financial performance of the charity.

Employee involvement

The strength of the Society lies in the quality and commitment of its employees. In particular their ability to meet objectives, and support Members and stakeholders effectively. Regular staff meetings are held and further involvement of staff in committee meetings and events is encouraged. The Society is committed to equal opportunities for all its employees.

Pay policy for key management personnel

The pay policy is reviewed annually and normally increased in accordance with average earnings.

Risk Management

The trustees continually examine the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that necessary recommendations can be made to lessen these risks. The trustees also consider non-financial risk arising from fire, and the health and safety aspects of the employment of its staff. The Society Chief Executive meets regularly with NFU Insurance broker to discuss areas of risk and to ensure satisfactory insurance cover is provided for the Society. A key element in the management of financial risk is the setting of a reserves policy.

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

REPORT OF THE DIRECTORS AND TRUSTEES for the year ended 31 March 2022

Strategic Planning and Communications

The Board supports key objectives, utilising the **MORE** values, with the aim to:

- Make a positive impression
- Operate as one organisation
- Reaching our potential
- Embracing innovation

There is a clear track record of driving cost reduction and improved performance whilst generating savings for re investment in core resources to support registry services, promotional activity, and breed development.

Value for money measures and performance assessments are monitored and reported on a regular basis to enable the Board to oversee delivery of the organisation, its objectives and ensure services are maintained and developed to provide value for money to the membership.

- The committees meet at least twice a year and provide recommendations to the board, whilst supporting staff in their operational duty.
- The Finance & General committee meets quarterly and receives performance reports and quarterly budget monitoring report.
- The Board meet three times a year to consider recommendations from the committees, review organisational performance against budget (Key Performance Indicators) and consider strategic planning.

The thirteen Regional Directors engage with their regional members to provide a scrutinising framework. Directors are encouraged to meet with regional clubs and are supported by the production by the Society of member publications. The members bulletin is produced in hard copy and mailed directly to members twice annually with social media, webmail and website providing the most suitable and cost effective digital media to communicate Society activity on a daily/weekly basis.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The British Texel Sheep Society Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing those financial statements, the trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE BRITISH TEXEL SHEEP SOCIETY LIMITED**REPORT OF THE DIRECTORS AND TRUSTEES
for the year ended 31 March 2022****STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

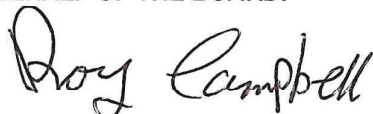
We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Dafferns LLP, will be proposed for re-appointment at the forthcoming annual general meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

R Campbell - Chairman - Trustee

Date: 24/07/2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE BRITISH TEXEL SHEEP SOCIETY LIMITED

Opinion

We have audited the financial statements of The British Texel Sheep Society Limited (the "charitable company") for the year ended 31 March 2022 which comprise a statement of financial activities, a balance sheet, statement of cash flows and notes to the financial statements, 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 March 2022, 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, 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 Auditor's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE BRITISH TEXEL SHEEP SOCIETY LIMITED

Other information (cont'd)

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.

Opinions 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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 directors' report.

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

- adequate and proper 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 directors' 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE BRITISH TEXEL SHEEP SOCIETY LIMITED

Auditor's 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 regulations made under those Acts.

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 auditor's 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Geoffrey Cox BA FCA (Senior Statutory Auditor)

For and on behalf of Dafferns LLP

Chartered Accountants, Statutory Auditor

Dafferns LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
One Eastwood, Harry Weston Road, Binley Business Park, Coventry, CV3 2UB

Date: 26 July 2022

THE BRITISH TEXEL SHEEP SOCIETY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 March 2022

	Note	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME FROM:					
Charitable activities	3	768,839	29,363	798,202	845,945
Investment income	4	<u>64</u>	<u>-</u>	<u>64</u>	<u>14,317</u>
Total income		<u>768,903</u>	<u>29,363</u>	<u>798,266</u>	<u>860,262</u>
EXPENDITURE ON:					
Investment broker's fees		1,800	-	1,800	3,513
Charitable activities	5	<u>698,412</u>	<u>48,594</u>	<u>747,006</u>	<u>674,212</u>
Total expenditure		<u>700,212</u>	<u>48,594</u>	<u>748,806</u>	<u>677,725</u>
		68,691	(19,231)	49,460	182,537
Net gains/(losses) on investments		<u>13,305</u>	<u>-</u>	<u>13,305</u>	<u>62,979</u>
Net income / (expenditure) for the year	8	81,996	(19,231)	62,765	245,516
Transfer between funds		<u>(10,220)</u>	<u>10,220</u>	<u>-</u>	<u>-</u>
Net movement in funds		71,776	(9,011)	62,765	245,516
Total funds brought forward		<u>1,087,006</u>	<u>37,176</u>	<u>1,124,182</u>	<u>878,666</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,158,782</u>	<u>28,165</u>	<u>1,186,947</u>	<u>1,124,182</u>

THE BRITISH TEXEL SHEEP SOCIETY LIMITED
(REGISTERED NUMBER: SC055423 - SCOTLAND)

BALANCE SHEET
At 31 March 2022

	Note	Unrestricted funds £	Restricted funds £	2022 Total Funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	12	355,872	-	355,872	309,785
Investments	13	<u>675,231</u>	-	<u>675,231</u>	<u>438,725</u>
		1,031,103	-	1,031,103	748,510
CURRENT ASSETS					
Stocks		12,348	-	12,348	11,219
Debtors	14	115,898	5,869	121,767	101,200
Cash at bank and in hand		<u>144,926</u>	<u>22,296</u>	<u>167,222</u>	<u>385,650</u>
		273,172	28,165	301,337	498,069
CREDITORS					
Amounts falling due within one year	15	<u>(145,493)</u>	-	<u>(145,493)</u>	<u>(122,397)</u>
NET CURRENT ASSETS		<u>127,679</u>	<u>28,165</u>	<u>155,844</u>	<u>375,672</u>
NET ASSETS		<u>1,158,782</u>	<u>28,165</u>	<u>1,186,947</u>	<u>1,124,182</u>
FUNDS					
Unrestricted funds	18			1,158,782	1,087,006
Restricted funds				<u>28,165</u>	<u>37,176</u>
TOTAL FUNDS				<u>1,186,947</u>	<u>1,124,182</u>

These financial statements have been prepared in accordance with the provisions applicable to small companies' subject to the small companies' regime and in accordance with FRS 102 SORP.

The financial statements were approved by the Board of Trustees on 26/07/2022 and were signed on its behalf by



R Campbell - Chairman - Trustee

The notes on pages 15 to 22 form an integral part of these financial statements.

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

STATEMENT OF CASH FLOWS
For the year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities:		
Net income / (expenditure) for the year	62,765	245,516
Adjustments for:		
Depreciation charge	44,832	36,989
(Gains)/ losses on investments	(113,305)	(62,979)
Investment income	(64)	(14,317)
(Increase) in stocks	(1,129)	(4,392)
Decrease / (increase) in debtors	(20,567)	78,283
Increase in creditors	<u>23,096</u>	<u>(31,923)</u>
Net cash provided by (used in) operating activities	<u>95,628</u>	<u>247,177</u>
Cash flows from investing activities:		
Investment income	64	14,317
Proceeds from sale of investments	53,335	3,513
Purchase of investments	(276,536)	(102,745)
Purchase of fixed assets	<u>(90,919)</u>	<u>(112,373)</u>
Net cash (used in) investing activities	<u>(314,056)</u>	<u>(197,288)</u>
Change in cash and cash equivalents during year	(218,428)	49,889
Cash and cash equivalents at beginning of year	<u>385,650</u>	<u>335,761</u>
Cash and cash equivalents at end of year	<u>167,222</u>	<u>385,650</u>

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. General information and basis of preparation

The British Texel Sheep Society is a private company, limited by guarantee, registered in Scotland. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities was that of encouraging, promoting and improving the breeding of Texel sheep in the United Kingdom of Great Britain and Northern Ireland. The Society assists its members in the maintenance and promotion of the breed and its influence for the advancement of the arts, heritage, culture and science. The Society consistently and regularly reviews and improves where appropriate the level of services offered to its members.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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), the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling (£) which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. Accounting policies

Fund accounting

Unrestricted funds are those available at the discretion of the Trustees in furtherance of the charitable aims of the Charity.

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 those available solely for the specific purposes of the donors.

Income recognition

All incoming resources are included in the SoFA when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

THE BRITISH TEXEL SHEEP SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 March 2022

2. Accounting policies (continued)

Income recognition (continued)

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of specific projects. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

The subscription year runs to 30 September. Subscription income is accounted for on an accruals basis, with six months' income deferred at the accounting year end.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Support costs have been allocated based on a percentage of staff time spent on each activity.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Long leasehold	5% straight line
iTexel software	10% straight line
Show equipment	33% straight line
Office equipment	33% straight line
Grant related	67% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

THE BRITISH TEXEL SHEEP SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 March 2022

2. Accounting policies (continued)

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment

Operating leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the SoFA in the period to which they relate.

3. Income from charitable activities

	2022 £	2021 £
Subscriptions	118,615	125,221
Gift aid	11,000	9,560
Registrations	442,309	475,299
Performance recorded Texel's	27,003	36,447
Publications	6,817	9,311
Auctions	126,409	116,285
Breed development	2,498	3,599
Project income	29,363	32,974
Grants received	-	5,600
Government grants	-	3,052
Insurance claims	22,153	19,417
Sundry income	<u>12,035</u>	<u>9,180</u>
	<u>798,202</u>	<u>845,945</u>

Income from charitable activities was £798,202 (2021 £845,945) of which £29,363 (2021 £32,974) was attributable to restricted funds and £768,839 (2021 £812,971) was attributable to unrestricted funds.

4. Income from investments

	2022 £	2021 £
Dividends	30	14,195
Interest	<u>34</u>	<u>122</u>
	<u>64</u>	<u>14,317</u>

Income from investments was all attributable to unrestricted funds.

THE BRITISH TEXEL SHEEP SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 March 2022

5. Analysis of expenditure on charitable activities

	Activities undertaken directly £	Support costs £	Total £
Sales, shows and publications	151,418	61,597	213,015
Registrations	34,384	275,135	309,519
Breed development	101,960	73,918	175,878
Projects	<u>39,514</u>	<u>9,080</u>	<u>48,594</u>
	<u>327,276</u>	<u>419,730</u>	<u>747,006</u>

£48,594 (2021 £15,100) of the above costs were attributable to restricted funds and £698,412 (2021 £659,112) was attributable to unrestricted funds.

6. Allocation of support costs

	Sales, shows and publications £	Registrations £	Breed development £	Projects £	Total £
Governance	1,586	7,085	1,903	-	10,574
Payroll	35,603	159,029	42,724	3,350	240,706
Travelling	2,707	12,093	3,249	4,232	22,281
Office costs	7,404	33,071	8,885	1,498	50,858
Leasing	357	1,593	428	-	2,378
Legal and professional	4,824	21,547	5,789	-	32,160
Other costs	667	2,979	800	-	4,446
Bad debts	341	1,524	410	-	2,275
Bank charges	1,383	6,177	1,660	-	9,220
Depreciation	<u>6,725</u>	<u>30,037</u>	<u>8,070</u>	<u>-</u>	<u>44,832</u>
	<u>61,597</u>	<u>275,135</u>	<u>73,918</u>	<u>9,080</u>	<u>419,730</u>

7. Governance costs

	2022 £	2021 £
Auditors' remuneration	6,103	5,750
Meetings	<u>4,561</u>	<u>1,393</u>
	<u>10,574</u>	<u>7,143</u>

8. Net income / (expenditure)

Net income / (expenditure) is stated after charging the following:

	2022 £	2021 £
Depreciation – owned assets	37,060	36,989
Operating lease costs	10,942	10,354
Auditors' remuneration	<u>6,103</u>	<u>5,750</u>

THE BRITISH TEXEL SHEEP SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 March 2022

9. Auditors remuneration

The auditor's remuneration amounts to an audit fee of £3,500 (2021 £3,300) and a fee for assistance with the accounts preparation of £2,603 (2021 £2,450).

10. Trustees' and key management personnel remuneration and expenses

There were no trustees' remuneration or other benefits for the year ended 31 March 2022, nor for the year ended 31 March 2021.

	2022 £	2021 £
Trustees' expenses		
Travel expenses	<u>3,898</u>	=

The total amount of employee benefits received by key management personnel is £107,510 (2021 £112,510).

11. Staff costs and employee benefits

The average monthly number of employees and full time equivalents (FTE) during the year was as follows:

	2022 Ave	2022 FTE	2021 Ave	2021 FTE
Administration	4	4	5	4
Chief executive	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	<u>5</u>	<u>5</u>	<u>6</u>	<u>5</u>

The total staff costs and employee benefits was as follows:

	£	£
Salaries	197,607	207,988
Social security	21,342	18,819
Defined contribution pension costs	21,757	29,592
Other employee benefits	<u>7,255</u>	<u>7,255</u>
	<u>247,961</u>	<u>263,654</u>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

£90,000 - £100,000	<u>1</u>	<u>1</u>
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THE BRITISH TEXEL SHEEP SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For the year ended 31 March 2022

12. Tangible fixed assets

	Long Leasehold £	iTexel Development £	Equipment £	Total £
COST				
At 1 April 2021	168,897	335,890	170,698	675,485
Additions	-	77,722	13,197	90,919
Disposals	-	-	-	-
At 31 March 2022	<u>168,897</u>	<u>413,612</u>	<u>183,895</u>	<u>766,404</u>
DEPRECIATION				
At 1 April 2021	160,998	40,315	164,387	365,700
Charge for year	425	41,361	3,046	44,832
Disposals	-	-	-	-
At 31 March 2022	<u>161,423</u>	<u>81,676</u>	<u>167,433</u>	<u>410,532</u>
NET BOOK VALUE				
At 31 March 2022	<u>7,474</u>	<u>331,936</u>	<u>16,462</u>	<u>355,872</u>
At 31 March 2021	<u>7,899</u>	<u>295,575</u>	<u>6,311</u>	<u>309,785</u>

13. Fixed asset investments

	2022 £	2021 £
Market value		
As at 1 April 2021	438,725	276,514
Purchases at cost	276,536	102,745
Sales proceeds	(53,335)	(3,513)
Revaluation	<u>13,305</u>	<u>62,979</u>
As at 31 March 2022	<u>675,231</u>	<u>438,725</u>

Listed investments

	Cost £	Valuation £
At 31 March 2022	<u>543,378</u>	<u>675,231</u>
At 31 March 2021	<u>318,378</u>	<u>438,725</u>

Listed investments comprise the following:

	2022 £	2021 £
NFU Mutual balanced portfolio fund	254,740	243,866
Quilters Collective Investment account	420,191	194,559
Farmers first	<u>300</u>	<u>300</u>
	<u>675,231</u>	<u>438,725</u>

THE BRITISH TEXEL SHEEP SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 March 2022

13. Fixed asset investments (continued)**Sundry listed investment**

The company holds a small listed investment of 300 ordinary 50p shares in Farmers First plc. This company is incorporated in the United Kingdom and registered in England and Wales. Its Principal activity is to give assistance to UK livestock producers. The market value of these shares at the year end is not materially different to the cost of £300.

14. Debtors: amounts due within one year

	2022 £	2021 £
Trade debtors	63,656	42,275
Value added tax	6,717	-
Other debtors	8,370	30,334
Gift aid	24,100	13,100
Prepayments	<u>18,924</u>	<u>15,491</u>
	<u>121,767</u>	<u>101,200</u>

15. Creditors: amounts falling due within one year

Trade creditors	50,269	21,315
Social security and other taxes	5,814	6,291
Value added tax	-	7,031
Other creditors	48	74
Deferred income - subscriptions	53,000	53,000
Accruals	<u>36,362</u>	<u>34,686</u>
	<u>145,493</u>	<u>122,397</u>

16. Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Not later than one year	12,010	7,410
Later than one and not later than five years	9,622	11,959
Later than five years	<u>27,453</u>	<u>29,671</u>
	<u>49,085</u>	<u>49,040</u>

17. Related party transactions

There were no material related party transactions during the year.

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 March 2022

18. Movement in funds

	At 1.4.2021 £	Net movement in funds £	Transfers £	At 31.3.2022 £
Unrestricted funds				
General fund	987,006	81,996	(10,220)	1,058,782
Designated fund - Breed development	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
	<u>1,087,006</u>	<u>81,996</u>	<u>(10,220)</u>	<u>1,158,782</u>
Restricted funds				
CIEL Seed Fund project	-	(10,220)	10,220	-
Smarter project	32,397	(13,553)	-	18,844
Grass to Gas project	353	4,542	-	4,895
Eastern Texel Breeders Club	<u>4,426</u>	<u>-</u>	<u>-</u>	<u>4,426</u>
	<u>37,176</u>	<u>(19,231)</u>	<u>10,220</u>	<u>28,165</u>
TOTAL FUNDS	<u>1,124,182</u>	<u>62,765</u>	<u>-</u>	<u>1,186,947</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	768,903	(700,212)	13,305	81,996
Restricted funds				
CIEL Seed Fund project	23,904	(34,124)	-	(10,220)
Smarter project	(1,833)	(11,720)	-	(13,553)
Grass to Gas project	<u>7,292</u>	<u>(2,750)</u>	<u>-</u>	<u>4,542</u>
	<u>29,363</u>	<u>(48,594)</u>	<u>-</u>	<u>(19,231)</u>
TOTAL FUNDS	<u>798,266</u>	<u>(748,806)</u>	<u>13,305</u>	<u>62,765</u>

19. Purpose of funds

The Breed Development fund is an unrestricted designated fund, created for the purpose of supporting genetic improvement of the breed.

Three separate restricted funds have been created for the purpose of managing the specific research projects each funded separately. Project 1. CIEL Seed Fund Project, Project 2. Smarter Project and Project 3. Grass to Gas Project.

Eastern Texel Breeders Club Committee closed their Club in 2020. This was a separate organisation not affiliated to the Texel Society. A restricted fund of £4,426 has been set up for the purpose of supporting the Clubs constitution which states "in the event of the clubs closure for any reason any credit of money shall be transferred to the funds of the British Texel Sheep Society for them to hold for a reasonable time in the hope that the club would be reformed at a future date".