REGISTERED COMPANY NUMBER: SC055423 (Scotland)

REGISTERED CHARITY NUMBER: SC007271

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS for the year ended 31 March 2025 FOR THE BRITISH TEXEL SHEEP SOCIETY LIMITED (A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

REPORT OF THE DIRECTORS AND TRUSTEES
for the year ended 31 March 2025

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 2025. 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

P J Mitchell – President and Chair
D R Jones – Vice Chair
J Aitkin
S Beachell — Resigned 16 November 2024
J R Draper
A R Gault
N M Harvey
A M Howie
R Laird
S Martin
D McKerrow
D K Thomas
N R Woodmass

Company Secretary and Chief Executive Officer

J A Yates

Our advisers

Auditors	Dafferns Audit Limited	One Eastwood, Binley Business Park, Coventry, CV3 2UB
Accountants	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 2025

OBJECTIVES AND ACTIVITIES

The principal activity of the Society in the year under review was that of encouraging, promoting and improving the breeding of British 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 Board remains focused on strengthening core services, whilst managing costs against operational income. Key activities during 2024 included one off costs to support the celebration of the society's 50th Anniversary year. Genomic services were launched in 2024 providing new tools to support members in the genetic improvement of their flocks. The board considers the use of Society financial reserves for strategic use only.

Critical resources and deliverables for the Society are staffing, the iTexel database to ensure registry, sales cataloguing and genetic evaluation services are supported, along with promotion of the breed, provision of events, publicity and breed development activity.

Expenditure

Total staff costs (note 11) £237,750 (2024 £238,775) decreased 0.43% (£1,025) following the completion of an ongoing restructure combined with the investment and adoption of new databases over the past 5 years. This has provided improved efficiency and more effective administration in the delivery of registry and genetic improvement services and member experience.

Promotion of the breed and facilitating the showing and sale of members animals, is by a combination of direct mailing of publications and use of web and social media communications and trade events, and the organising of sales and shows with Auctioneers and Shows Societies. Total direct expenditure including support costs on sales, shows and publications was (Note 5) £324,347 (2024 £247,005), an increase of 31% (£77,342).

Breed development expenditure of (Note 5) £189,752 (2024 £156,162) a decrease of 21.15% (£33,590), due to completion of activities undertaken directly for research. Two new projects began during the year (Note 3) details income received of £6,369 and are not provided for under Note 18 and 19 as the projects are not in included in a restricted fund:

- **SUSTAIN sheep: Reducing sheep methane emission: sustainability in practice via new breeding goals.** The Society are a sub-contractor to SRUC, a partner in this 2-year global collaborative project:
- **Breeding better beef and sheep: Co-designed breeding strategies to achieve net zero.** The Society are a partner in this one year project led by Royal Agricultural College (RAC), and collaborating with diverse partners in the UK livestock industry.

Further information https://texel.uk/research-and-development/#1743592488064-930467f2-5a48

The Society routinely contributes data and knowledge in support of research projects for benefit of UK livestock industry. The Society continues to invest in a variety of technologies to support members flock genetic improvement. Providing subsidies for CT scanning, funding of and access to genomic evaluations, with support of the breeds genomic reference population. Through sub-contractors the Society delivers the international genomic evaluations for British Texel sheep as part of its breed development strategy.

Development (Phase 5) of the iTexel database included £11,368 costs capitalised, with £78,757 capitalised in 2023/24, marking a stabilising of development following a period of enhanced functionality for new trait publishing, lamb recording, pedigree flock admin, economic indexes for flock book and click to access functionality, reporting of major genes, such as microphthalmia and scrapie genotyping in registered sires and their progeny.

ACHIEVEMENTS AND PERFORMANCE (cont'd)
The Society remain committed to integrating genetic and genomic improvement tools and metrics along with its pedigree service, in support of members flocks and the breeds development and their impact on the UK sheep industry.

Registrations costs (Note 5) £320,854 (2024 £299,245) increased by 7.22% (£21,609), due to allocation of support costs (Note 6) relating to iTexel development depreciation and other costs.

Total expenditure on charitable activities £835,576 (2024 £702,412) an increase of 19% (£133,164), see Note 5, with investment broker fees of £3,002 providing £838,578 (2024 £704,212) and an overall increase in expenditure of 19% (£134,366). The activities relating to the 50th anniversary supporting activities and legacies directly influenced the increase in expenditure.

Income
Core charitable income is Member subscriptions and Auctions, which includes sales entries and commissions.

Subscriptions of £126,919 (2024 £122,048) increased by 4% (£4871) due to inflationary fee increases. Gift Aid has risen over recent years following increased publicity to the membership £15,472 (2024 £14,000; 2023 £12,000).

Registrations £383,231 (2024 £407,660) declined 6% (£24,429) due to reduced birth notifications and female registrations. Farm and public purses continue to be pressurised as a result of the cost-of-living crisis and transition of governments farm policies, reducing farm income. The high values achieved in the prime markets continue to influence members reducing birth notifications submitted to the Society. The Texel breed efficiency and productivity on balance continues to provide benefits to the industry, with the breed remaining the most popular choice for commercial producers across the UK.

Performance recorded Texel, now commonly known as texelplus has a small fee to members to access genetic evaluation reports online using iTexel.uk (Note 3) £6,025 (2024 £6,185). Genomic information is made available to all members. Some members used the genotyping service providing income included in Breed Development (Note 3) £77,318 (2024 £7,871) an increase of 882% (£69,447). This increase is due to the Society publicity on Microphthalmia recessive gene, and the encouragement of members to genotype their stock to ensure they identify carrier animals and breed for resistance. Genotyping services are aimed to deliver on a break-even basis.

Auctions income £110,067 (2024 £117,358) decreased 6.2% (£7,291), due to decrease in sales entries.

50th Anniversary income £28,436 supported a collection of anniversary activities also supported by the Society. These included a club day, national show and AGM social weekend.

The Society has a strong connection with the Farm Safety Foundation (NFU Mutual), also known as "Yellow Wellies". The Society raised £7,501 for the Yellow Wellies charity during their 50th Anniversary celebrations. This donation concluded the Society's fundraising efforts for the year, with a cheque presented to Alix Morley of Yellow Wellies. The Society also highlighted the importance of Yellow Wellies' work in raising awareness about farmer safety and mental health, emphasising the need for farmers to prioritise their well-being.

£768,892 income received (2024 £691,775) of which £3,369 (2024 £nil) was attributable to restricted funds and £765,523 (2024 £691,775) was attributable to unrestricted funds. Providing an increase 11.15% (£77,137). Influenced by the 50th anniversary and the genotyping service.

Operating deficit of £36,355 (2024 £38,543 net contribution) including investments gain £20,153 (2024 loss £46,066).

The Total funds carried forward total £1,143,520 (2024 £1,179,875).

ACHIEVEMENTS AND PERFORMANCE (cont'd)

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 2025 stood at £720,890 compared with unrestricted expenditure in the year of £838,578.

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 RBS Liquidity Reserve Accounts of £105,838 (2024 £101,877). The Boards Finance & General Committee routinely engage with the Society's Independent Financial Advisor.(Note 13)

NFU Mutual balanced portfolio funds	£283,060	(2024 £274,115)
Quilters Collective Investment account	£297,448	(2024 £283,301)
Farmers First	£300	(2024 £300)

Plans for future periods

The Society board monitor the Society's operating environment, to ensure member services are provided effectively and in accordance with the Society charitable purposes. Pressures on society members businesses and their customers remain, indirectly impacting on the Society, these are identified as:

- **Market Volatility**: Fluctuating lamb prices, although in recent years these have remained high, with negative impact on Society registration income as members sell Primestock rather than pedigree birth notify for future pedigree registration. High input costs, and trade uncertainty post-Brexit remain.
- **Labour Shortages**: Ongoing challenges sourcing skilled labour for on-farm roles.
- **Environmental Regulation**: Increasing pressure to cut emissions, reduce fertiliser use, and meet net-zero targets.
- **Policy Change**: Uncertainty around BPS replacement schemes, with limited support for productive livestock systems.
- **Animal Health Risks**: Rising disease threats and resistance challenges, worsened by climate change.
- **Public Perception**: Scrutiny over meat consumption and welfare standards from consumers and media.
- **Technology Demands**: Growing need for data, genetics, and innovation—despite digital skills and infrastructure gaps.

Driving Genetic Progress and Member Support through Innovation

Improving data collection, storage, and the adoption of advanced breeding tool are important, supporting members and developing profitable progressive flocks. Recent investments in technology, both within Society administration and for wider business resilience, have been timely and strategic.

A key milestone reached in 2024 was the Society's launch of the UK's first genomic evaluations for a commercially significant terminal sire breed. This follows several years of research, investment, and collaboration, including securing grant funding and strategic national and international partnerships.

To remain fit for purpose, the Society must continue to deliver high-quality core services and events management that are forward-looking, financially sustainable, and offer real value without unnecessary complexity or cost. A digital vision, centred on improving data access and strengthening communication with members and industry, remains a key priority.

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.

Governance and Management

The Charity is administered by the Board of Trustees, which meets at least three times annually. In 2024, the Board reviewed its committee structure, removing standing committees to reduce inefficiencies and enhance director engagement and oversight.

A Finance Committee meets quarterly to monitor financial risk and review operational performance. The Board appoints a Chief Executive to lead day-to-day operations and provide strategic direction. The Chief Executive operates under a delegated authority framework approved by the Board, covering operational, financial, and employment matters to ensure effective delivery and accountability.

Board Composition and Trustee Appointments

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 to brief them on their legal obligations and compliance under charity and company law, and are provided with 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 Board 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 for key staff is reviewed annually by the Board of Directors and normally increased in accordance with average earnings. The Chief Executive has delegated responsibility for personnel management and their remuneration.

Risk Management

The Trustees regularly assess the strategic, operational, and business risks facing the Society, with systems in place to ensure these are monitored and reviewed through routine reporting. This enables informed decision-making and timely action to mitigate risks. Non-financial risks, including fire safety and staff health and safety, are also reviewed. The Chief Executive meets regularly with the NFU Insurance broker to evaluate risk exposure and ensure appropriate insurance cover is in place. A key component of financial risk management is the Society's reserves policy, which is reviewed to maintain financial stability and resilience.

Value for Money and Performance

The Society has a strong track record of reducing costs and improving efficiency, enabling savings to be reinvested in core functions such as registry services, breed promotion, and development.

Performance and value-for-money measures are regularly monitored and reported, allowing the Board to oversee delivery against objectives and ensure services continue to provide tangible value to members.

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.

REPORT OF THE DIRECTORS AND TRUSTEES
for the year ended 31 March 2025

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 Audit Limited, 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:

P Mitchell - Chairman - Trustee

Date: 28 July 2025

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 2025 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 2025, 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 6, 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 Audit Limited
Chartered Accountants, Statutory Auditor
Dafferns Audit Limited 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: 28 July 2025

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 March 2025

	Note	Unrestricted funds £	Restricted Funds £	2025 Total funds £	2024 Total funds £
INCOME FROM:					
Charitable activities	3	765,523	3,369	768,892	691,755
Investment income	4	13,178	-	13,178	4,934
Total income		778,701	3,369	782,070	696,689
EXPENDITURE ON:					
Investment broker's fees		3,002	-	3,002	1,800
Charitable activities	5	835,576	-	835,576	702,412
Total expenditure		838,578	-	838,578	704,212
		(59,877)	3,369	(56,508)	(7,523)
Net gains/(losses) on investments		20,153	-	20,153	46,066
Net income / (expenditure) for the year	8	(39,724)	3,369	(36,355)	38,543
Transfer between funds		25,560	(25,560)	-	-
Net movement in funds		(14,164)	(22,191)	(36,355)	38,543
Total funds brought forward		1,153,258	26,617	1,179,875	1,141,332
TOTAL FUNDS CARRIED FORWARD		1,139,094	4,426	1,143,520	1,179,875

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

BALANCE SHEET
At 31 March 2025

	Note	Unrestricted Funds £	Restricted funds £	2025 Total Funds £	2024 Total funds £
FIXED ASSETS					
Tangible assets	12	318,204	-	318,204	362,794
Investments	13	580,808	-	580,808	557,716
		899,012	-	899,012	920,510
CURRENT ASSETS					
Stocks		13,253	-	13,253	18,052
Debtors	14	66,333	-	66,333	139,057
Cash at bank and in hand		270,928	4,426	275,354	279,222
		350,514	4,426	354,940	436,331
CREDITORS					
Amounts falling due within one year	15	(110,432)	-	(110,432)	(176,966)
NET CURRENT ASSETS		240,082	4,426	244,508	259,365
NET ASSETS		1,139,094	4,426	1,143,520	1,179,875
FUNDS	18				
Unrestricted funds				1,139,094	1,153,258
Restricted funds				4,426	26,617
TOTAL FUNDS				1,143,520	1,179,875

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 28 July 2025 and were signed on its behalf by:

P Mitchell - Chairman - Trustee

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

STATEMENT OF CASH FLOWS
For the year ended 31 March 2025

	2025 £	2024 £
Cash flows from operating activities:		
Net income / (expenditure) for the year	(36,355)	38,543
Adjustments for:		
Depreciation charge	58,491	54,000
(Gains)/ losses on investments	(20,153)	(46,066)
Investment income	(13,178)	(4,934)
Decrease / (Increase) in stocks	4,799	(8,579)
Decrease / (increase) in debtors	72,724	(49,502)
Increase / (decrease) in creditors	(66,534)	80,849
Net cash provided by (used in) operating activities	(206)	64,311
Cash flows from investing activities:		
Investment income	13,178	4,934
Proceeds from sale of investments	-	149,293
Proceeds from sale of investments - management fee	3,001	1,800
Purchase of investments	(5,940)	-
Purchase of fixed assets	(13,901)	(60,421)
Disposal of fixed assets	-	-
Net cash (used in) investing activities	(3,662)	95,606
Change in cash and cash equivalents during year	(3,868)	159,917
Cash and cash equivalents at beginning of year	279,222	119,305
Cash and cash equivalents at end of year	275,354	279,222

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

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.

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

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

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

	2025 £	2024 £
Subscriptions	126,919	122,048
Gift aid	15,472	14,000
Registrations	383,231	407,660
Performance recorded Texel's	7,815	7,223
Publications	6,025	6,185
Auctions	110,067	117,358
Breed development	77,318	7,871
Project income	6,369	-
50th Anniversary	28,436	-
Sundry income	7,240	9,410
	768,892	691,755

Income from charitable activities was £768,892 (2024: £691,775) of which £3,369 (2024: £nil) was attributable to restricted funds and £765,523 (2024: £691,775) was attributable to unrestricted funds.

4. Income from investments

	2025 £	2024 £
Dividends	45	30
Interest	13,133	4,904
	13,178	4,934

Income from investments was all attributable to unrestricted funds.

5. Analysis of expenditure on charitable activities

	Activities undertaken directly £	Support costs £	Total £
Sales, shows and publications	260,206	64,141	324,347
Registrations	34,359	286,495	320,854
Breed development	112,785	76,967	189,752
Projects	623	-	623
	407,973	427,603	835,576

£nil (2024: £nil) of the above costs were attributable to restricted funds and £835,576 (2024: £702,412) was attributable to unrestricted funds.

6. Allocation of support costs

	Sales, shows and publications £	Registrations £	Breed development £	Projects £	Total £
Governance	1,151	5,142	1,381	-	7,674
Payroll	35,668	159,281	42,801	-	237,750
Travelling	3,845	17,172	4,613	-	25,630
Office costs	6,853	30,608	8,223	-	45,684
Leasing	257	1,150	309	-	1,716
Legal and professional	1,882	8,408	2,259	-	12,549
Other costs	4,529	20,267	5,435	-	30,231
Bad debts	20	92	25	-	137
Bank charges	1,162	5,186	1,393	-	7,741
Depreciation	8,774	39,189	10,528	-	58,491
	64,141	286,495	76,967	-	427,603

7. Governance costs

	2025 £	2024 £
Auditors' remuneration	7,674	7,368
Meetings	-	523
	7,674	7,891

8. Net income / (expenditure)

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

	2025 £	2024 £
Depreciation – owned assets	58,491	54,000
Operating lease costs	1,716	2,259
Auditors' remuneration	7,674	7,368

9. Auditors remuneration

The auditor's remuneration amounts to an audit fee of £4,320 (2024: £3,975) and a fee for assistance with the accounts preparation of £3,354 (2024: £3,393).

10. Trustees' and key management personnel remuneration and expenses

There were no trustees' remuneration or other benefits for the year ended 31 March 2025, nor for the year ended 31 March 2024.

12 trustees (2024: 12) were reimbursed expenses as follows:	2025 £	2024 £
Travel expenses	3,311	3,184

The total amount of employee benefits received by key management personnel is £105,421 (2024: £103,417).

11. Staff costs and employee benefits

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

	2025 Ave	2025 FTE	2024 Ave	2024 FTE
Administration	3	3	3	3
Chief executive	1	1	1	1
	4	4	4	4

The total staff costs and employee benefits was as follows:	2025 £	2024 £
Salaries	198,880	198,070
Social security	17,996	17,444
Defined contribution pension costs	20,874	23,099
Other employee benefits	-	162
	237,750	238,775

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

	2025	2024
£80,000 - £90,000	1	1

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 March 2025

12. Tangible fixed assets

	Long Leasehold £	iTexel Development £	Equipment £	Total £
COST				
At 1 April 2024	170,389	520,248	186,814	877,451
Additions	-	11,368	2,533	13,901
At 31 March 2025	170,389	531,616	189,347	891,352
DEPRECIATION				
At 1 April 2024	162,386	172,294	179,977	514,657
Charge for year	500	52,025	5,966	58,491
At 31 March 2025	162,886	224,319	185,943	573,148
NET BOOK VALUE				
At 31 March 2025	7,503	307,297	3,404	318,204
At 31 March 2024	8,003	347,954	6,837	362,794

13. Fixed asset investments

Market value	2025 £	2024 £
As at 1 April 2024	557,716	662,743
Sales proceeds for management fee	(3,001)	(1,800)
Sales proceeds	-	(149,293)
Income reinvested	5,940	-
Revaluation	20,153	46,066
As at 31 March 2025	580,808	557,716

Listed investments

	Cost £	Valuation £
At 31 March 2025	391,704	580,808
At 31 March 2024	394,386	557,716

Listed investments comprise the following:	2025 £	2024 £
NFU Mutual balanced portfolio fund	283,060	274,115
Quilters Collective Investment account	297,448	283,301
Farmers First	300	300
	580,808	557,716

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

	2025	2024
	£	£
Trade debtors	26,859	23,439
Value added tax	-	12,376
Other debtors	2,501	12,045
Gift aid	17,208	14,283
Prepayments	19,765	76,914
	66,333	139,057

15. Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	31,407	80,348
Social security and other taxes	5,732	6,002
Value added tax	77	-
Other creditors	758	3,514
Deferred income - subscriptions	57,000	59,000
Accruals	15,458	28,102
	110,432	176,966

16. Operating leases

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

	2025	2024
	£	£
Not later than one year	7,659	11,391
Later than one and not later than five years	10,989	16,437
Later than five years	21,373	23,584
	40,021	51,412

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 2025

18. Movement in funds

	At 1 April 2024 £	Net movement in funds £	Transfers £	At 31 March 2025 £
Unrestricted funds				
General fund	1,053,258	(39,724)	25,560	1,039,094
Designated fund - Breed development	100,000	-	-	100,000
	1,153,258	(39,724)	25,560	1,139,094
Restricted funds				
Smarter project	12,046	3,369	(15,415)	-
Grass to Gas project	10,145	-	(10,145)	-
Eastern Texel Breeders Club	4,426	-	-	4,426
	26,617	3,369	(25,560)	4,426
TOTAL FUNDS	1,179,875	(36,355)	-	1,143,520

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	778,701	(849,946)	20,153	(51,092)
Restricted funds				
Smarter project	3,369	-	-	3,369
Grass to Gas project	-	-	-	-
TOTAL FUNDS	782,070	(849,946)	20,153	(47,723)

19. Purpose of funds

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

Two separate restricted funds had been created for the purpose of managing the specific research projects each funded separately. Project 1. Smarter Project completed 30 June 2023 and Project 2. Grass to Gas Project completed 30 September 2023.

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 Club's constitution which states "in the event of the club's 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".