

REGISTERED COMPANY NUMBER: SC055423 (Scotland)
REGISTERED CHARITY NUMBER: SC007271

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
for the year ended 31 March 2016
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 2016**

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THE BRITISH TEXEL SHEEP SOCIETY LIMITED

REPORT OF THE TRUSTEES for the year ended 31 March 2016

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 2016. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities issued in March 2005

REFERENCE AND ADMINISTRATIVE DETAILS

Charity name:	The British Texel Sheep Society
Charity known as:	Texel Sheep Society
Charity registration number:	SC007271
Company registration number:	SC55423 (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

Trustees

D J McKerrow - President and Chairman	
S Richardson – V President and V Chairman	
G Knox - Hon Treasurer	
J Aiken	
A Barr	
R Campbell	
B H Gamble	
G M Hill	
R M Hughes	resigned 14.11.15
I P Jones	
P J Mitchell	
Mrs S H C Rawlings	appointed 13.5.15
S J Smith	appointed 14.11.15
W A Windsor	

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 TRUSTEES for the year ended 31 March 2016

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 Memorandum and 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 Memorandum & Articles of Association is available to all members 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. 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 an orientation and training day to brief them on their legal obligations under charity and company law, the content of the Memorandum & Articles of Association, the committee and decision making process, the business plan and recent financial performance of the charity.

Employee involvement

The Society has a well-established structure to communicate with employees at every level and to encourage their involvement regarding the company's performance and future development.

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. A key element in the management of financial risk is the setting of a reserves policy.

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 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 BRITISH TEXEL SHEEP SOCIETY LIMITED

REPORT OF THE TRUSTEES for the year ended 31 March 2016

ACHIEVEMENTS AND PERFORMANCE

The Society is a leading and respected organisation within the livestock sector. The Board regularly reviews its operation to support its charitable objectives.

A major project on the genomics of mastitis in meat sheep is being delivered between March 2015 and August 2016. Part funded through an Innovate UK grant and provided for in the statements as a restricted fund. During the period under review the project provided for £158,611 income and £205,139 expenditure, including overhead. Conclusions from this project will be reported to the membership in 2017 and will form part of the future plans for expansion of genomic technologies for the support of membership and benefit to the breed.

Incoming resources have increased a modest 6% (£34,439) from £581,519 to £615,958, when removing the influence of the Innovate UK grant income. Registrations income has risen by 3% (£11,545). Auctions sales income has risen by 19% (£18,193). DNA profiling services launched in 2013, an essential part of the future plans for protecting pedigree Texel and support of genetic improvement services has provided 53% (£9,412) increased income.

Expenditure has increased very slightly by 0.3% (£2,077), when removing the influence of the Innovate UK project costs. Costs are monitored carefully to ensure delivery of core services is maintained whilst targeting promotional messages accurately to support membership activity. Commercial benefits of the Texel breed underpin the unique selling points communicated through a wide variety of hard copy and electronic media. Expenditure on publications has increased 36% (£10,620), with the Primestock magazine proving extremely effective, with a circulation of 35,000 copies, in collaborative direct mailing initiatives with media partners. Publicity costs have been increased by 21% (£14,156) whilst postage and stationery costs reduced by 4% (£1,307) by using strategic mailings to members. Costs associated with Sales & Shows have been reduced by 10% (£8,782), whilst ensuring their success is maintained.

Salaries and pensions costs have risen from £160,406 to £199,670. This is supported by the grant income of £49,088 associated with the use of additional staffing for the delivery of the research project. Legal and professional costs have increased and include lawyers, accountancy fees and agri-business consultancy support by Abacus-bio, for the production of a study of the "Economic impact of the Texel breed on UK Industry" to support strategic decision making and promotional activity of the Society. Youth development programme, includes educational awards for public benefit.

Net incoming resources ended with deficit on income of £2,812 (£43,716 less support costs of mastitis project of £46,528). Losses on investments during the period of £23,035 provided a total reduction in net movement of funds of £25,847 for the period under review.

Total funds carried forward total £928,912.

Plans for future periods

Maintaining core services to membership that are fit for the future is essential, if the Society is to remain successful and of purpose. The Society will increase its activity in areas of promotion & genetic improvement of the breed. Improvements in data collection and storage and the exploitation of genomic technologies for breed development will enhance core services. These activities will 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 TRUSTEES for the year ended 31 March 2016

Reserves policy

It is the policy of the Society to maintain unrestricted funds, 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 2016 stood at £678,912 compared with unrestricted expenditure in the year of £572,242.

Investment policy

The Board of Directors 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.

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 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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; and
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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's 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:

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

We have audited the financial statements of The British Texel Sheep Society Limited for the year ended 31 March 2016 on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made exclusively to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement on page 4, 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.

The trustees have elected for the financial statements to be audited in accordance with the Charities and Trustee Investment (Scotland) Act 2005 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2016, 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 (applicable to smaller entities); and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept proper and adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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

1 August 2016

THE BRITISH TEXEL SHEEP SOCIETY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 March 2016

	Note	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
INCOME FROM:					
Donated services		-	15,000	15,000	-
Investment income and interest received		5,505	-	5,505	8,582
Charitable activities:					
Subscriptions		102,500	-	102,500	100,275
Gift aid		15,744	-	15,744	15,650
Registrations		332,269	-	332,269	320,724
Publications		15,050	-	15,050	17,540
Auctions		113,785	-	113,785	95,592
DNA profiling		27,098	-	27,098	17,686
TSB Mastitis project		-	143,611	143,611	-
BASCO data		-	-	-	350
Sundry income		<u>4,007</u>	-	<u>4,007</u>	<u>5,120</u>
Total income		<u>615,958</u>	<u>158,611</u>	<u>774,569</u>	<u>581,519</u>
EXPENDITURE ON:					
Investment broker's fees		2,389	-	2,389	3,900
Charitable activities					
Publications		39,744	-	39,744	29,124
Sales and shows		78,096	-	78,096	86,878
40th Anniversary expenses		-	-	-	14,688
Merchandise		3,440	-	3,440	1,912
BASCO costs		23,393	-	23,393	22,279
Travel		19,521	108	19,629	24,220
Publicity		79,133	-	79,133	64,977
Postage and stationery		27,766	-	27,766	29,073
DNA profiling costs		21,848	-	21,848	15,653
TSB Mastitis project		-	142,615	142,615	13,189
Support costs, not allocated:					
Salaries, social security and pensions		150,582	49,088	199,670	160,406
Travel and subsistence		10,371	-	10,371	6,598
Office costs		29,988	12,303	42,291	33,857
Leasing		2,676	-	2,676	3,071
Legal and professional		35,197	1,025	36,222	12,347
Other costs		3,895	-	3,895	2,650
Bank charges		2,525	-	2,525	2,613
Depreciation		18,840	-	18,840	19,075
Governance costs					
Audit and accountancy		4,950	-	4,950	4,850
Meetings		<u>17,888</u>	-	<u>17,888</u>	<u>18,805</u>
Total expenditure		<u>572,242</u>	<u>205,139</u>	<u>777,381</u>	<u>570,165</u>
NET INCOMING / (OUTGOING)					
RESOURCES	2.	43,716	(46,528)	(2,812)	11,354
Transfer between funds		(46,528)	46,528	-	-
Gains / (losses) on investments		<u>(23,035)</u>	-	<u>(23,035)</u>	<u>30,071</u>
Net movement in funds		(25,847)	-	(25,847)	41,425
Total funds brought forward		<u>954,759</u>	-	<u>954,759</u>	<u>913,334</u>
TOTAL FUNDS CARRIED FORWARD		<u>928,912</u>	-	<u>928,912</u>	<u>954,759</u>

The notes on pages 9 to 13 form an integral part of these financial statements

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

BALANCE SHEET

At 31 March 2016

	Note	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
FIXED ASSETS					
Tangible assets	5	23,470	-	23,470	36,430
Investments	6	<u>639,065</u>	-	<u>639,065</u>	<u>659,232</u>
		662,535	-	662,535	695,662
CURRENT ASSETS					
Stocks		5,269	-	5,269	7,485
Debtors	7	93,457	-	93,457	84,869
Cash at bank and in hand		<u>296,129</u>	-	<u>296,129</u>	<u>269,531</u>
		394,855	-	394,855	361,885
CREDITORS					
Amounts falling due within one year	8	<u>(128,478)</u>	-	<u>(128,478)</u>	<u>(102,788)</u>
NET CURRENT ASSETS					
		<u>266,377</u>	-	<u>266,377</u>	<u>259,097</u>
NET ASSETS					
		<u>928,912</u>	-	<u>928,912</u>	<u>954,759</u>
FUNDS					
Unrestricted funds	11			928,912	954,759
Restricted funds				-	-
TOTAL FUNDS					
				<u>928,912</u>	<u>954,759</u>

For the year ending 31 March 2016, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies, but as this company is a charity, it is subject to audit under the Charities and Trustee Investment (Scotland) Act 2005.

Directors' responsibilities:

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

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 28 July 2016 and were signed on its behalf by

D J McKerrow - Chairman - Trustee

The notes on pages 9 to 13 form an integral part of these financial statements.

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), the Companies Act 2006 and the requirements of the Charities SORP 2015 (FRSSE).

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Gross income is stated net of value added tax.

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.

Donated services are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

Resources expended

Expenditure is accounted for on an accruals basis.

The trustees do not consider that reporting expenditure using the activity basis policy for apportionment of costs would necessarily show the members a true and fair view. Therefore they have not adopted this policy.

Tangible fixed assets

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
BASCO database	33% and 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.

Investments

Investments are stated in the balance sheet at market value in accordance with the SORP. Movements in market value are shown on the statement of financial activities.

Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

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 Statement of Financial Activities in the period to which they relate.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have set aside for a specific purpose. Restricted funds are solely for the use for particular areas of the charity's work, or for specific projects.

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For the year ended 31 March 2016

2. NET INCOMING RESOURCES

	2016 £	2015 £
This is stated after charging / (crediting) the following:		
Depreciation – owned assets	18,840	19,075
Operating lease costs	7,007	5,130
Auditors' remuneration	<u>4,950</u>	<u>4,850</u>

3. TRUSTEE REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2016, nor for the year ended 31 March 2015.

Trustees' expenses

Reimbursed expenses	<u>10,501</u>	<u>11,271</u>
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4. STAFF NUMBERS AND COSTS

The average weekly number of persons employed by the Society during the year was:

Administration	6	6
Chief executive	<u>1</u>	<u>1</u>
	<u>7</u>	<u>7</u>

Staff costs were:

Salaries	181,467	144,751
Social security costs	14,555	12,007
Other pension costs	<u>3,648</u>	<u>3,648</u>
	<u>199,670</u>	<u>160,406</u>

Number of employees with emoluments over £60,000:
£60,001 - £70,000

<u>1</u>	<u>1</u>
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5. TANGIBLE FIXED ASSETS

	Long leasehold £	BASCO database £	Show equipment £	Office equipment £	Total £
COST					
At 1 April 2015	160,393	7,200	55,784	76,995	300,372
Additions	<u>-</u>	<u>-</u>	<u>2,674</u>	<u>3,206</u>	<u>5,880</u>
At 31 March 2016	<u>160,393</u>	<u>7,200</u>	<u>58,458</u>	<u>80,201</u>	<u>306,252</u>
DEPRECIATION					
At 1 April 2015	140,868	7,200	47,225	68,649	263,942
Charge for year	<u>7,637</u>	<u>-</u>	<u>5,986</u>	<u>5,217</u>	<u>18,840</u>
At 31 March 2016	<u>148,505</u>	<u>7,200</u>	<u>53,211</u>	<u>73,866</u>	<u>282,782</u>
NET BOOK VALUE					
At 31 March 2016	<u>11,888</u>	<u>-</u>	<u>5,247</u>	<u>6,335</u>	<u>23,470</u>
At 31 March 2015	<u>19,525</u>	<u>-</u>	<u>8,559</u>	<u>8,346</u>	<u>36,430</u>

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For the year ended 31 March 2016

6. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Total £
MARKET VALUE			
At 1 April.2015	579,232	80,000	659,232
Purchases at cost	5,257	-	5,257
Sales proceeds	(2,389)	-	(2,389)
Revaluations	<u>(23,035)</u>	<u>-</u>	<u>(23,035)</u>
At 31 March.2016	<u>559,065</u>	<u>80,000</u>	<u>639,065</u>

Listed investments

	Cost £	Valuation £
At 31 March 2016	<u>497,996</u>	<u>559,065</u>
At 31 March 2015	<u>495,127</u>	<u>579,232</u>

Listed investments comprise the following:

	2016 £	2015 £
NFU Mutual balanced portfolio fund	319,715	332,954
Old Mutual Wealth multi-fund investment portfolio	239,050	245,978
Farmers first	<u>300</u>	<u>300</u>
	<u>559,065</u>	<u>579,232</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

BASCO Data Limited

Country of incorporation: England and Wales

Nature of business: Development of Livestock Systems

%

Class of shares: holding

Ordinary 33

	2016 £	2015 £
Aggregate capital and reserves	111,667	141,084
(Loss) for the year	<u>(29,417)</u>	<u>(37,664)</u>

The investment in BASCO Data Limited, at a cost of £80,000, is matched by the designated BASCO fund in reserves

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.

THE BRITISH TEXEL SHEEP SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For the year ended 31 March 2016

7. DEBTORS

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	32,592	45,672
Value added tax	2,306	1,366
Other debtors	24,775	4,001
Gift aid	15,744	15,656
Prepayments	<u>18,040</u>	<u>18,174</u>
	<u>93,457</u>	<u>84,869</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	39,617	22,054
Social security and other taxes	4,411	5,239
Deferred income - subscriptions	47,925	47,275
Accruals	<u>36,525</u>	<u>28,220</u>
	<u>128,478</u>	<u>102,788</u>

9. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

Expiring:		
Within one year	-	-
Between one and five years	8,006	3,289
In more than five years	<u>2,211</u>	<u>2,211</u>
	<u>10,217</u>	<u>5,500</u>

10. RELATED PARTY TRANSACTIONS

The Society holds an investment of 33% of the issued ordinary share capital of BASCO Data Limited

£

During the year the Society received from BASCO Data Limited:	
Sale of recharged costs	404

And the Society paid to BASCO Data Limited:	
Transaction and Texel specific enhancement charges	43,400

The Society owed BASCO Data Limited £11,696 at 31 March 2016

There were no other 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 2016

11. MOVEMENT IN FUNDS

	At 1.4.2015 £	Net movement in funds £	Transfers £	At 31.3.2016 £
Unrestricted funds				
General fund	704,759	20,681	(46,528)	678,912
Designated fund - BASCO	150,000	-	-	150,000
Designated fund - Breed development	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
	954,759	20,681	(46,528)	928,912
Restricted funds				
Innovate UK genomics of mastitis project fund	<u>-</u>	<u>(46,528)</u>	<u>46,528</u>	<u>-</u>
TOTAL FUNDS	<u>954,759</u>	<u>(25,847)</u>	<u>-</u>	<u>928,912</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	615,958	(572,242)	(23,035)	20,681
Restricted funds				
Innovate UK genomics of mastitis project fund	<u>158,611</u>	<u>(205,139)</u>	<u>-</u>	<u>(46,528)</u>
TOTAL FUNDS	<u>774,569</u>	<u>(777,381)</u>	<u>(23,035)</u>	<u>(25,847)</u>

12. PURPOSE OF FUNDS

The BASCO fund of £150,000 is an unrestricted designated fund, created for the purpose of supporting the initial investment of £80,000 and the provision of a loan of £70,000 for BASCO Data Limited for database development and support of online services. The original loan of £70,000 made in 2007 has been repaid..

The Breed Development fund is an unrestricted designated fund, created for the purpose of supporting genetic improvement of the breed. During the year the Society has focused its breed development activity on the Innovate UK Genomics of Mastitis project, which is shown as a separate restricted fund.

The Innovate UK Genomics of Mastitis project fund is a restricted designated fund, created for the purpose of supporting the delivery of the specific research project for the period 1 March 2015 to 31 August 2016. Activity has provided £158,611 income and £205,139 expenditure, with net contribution of £46,528.