

Registered Number: SC019414 (Scotland)
Scottish Charity Number: SC010218

Report of the Directors and
Unaudited Financial Statements
for the year to 31 August 2017
for
The Beef Shorthorn Cattle Society
a company limited by guarantee

The Beef Shorthorn Cattle Society
a company limited by guarantee
Company Number SC019414

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The Beef Shorthorn Cattle Society
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Report of the Directors

The Directors present their annual report for the year ended 31 August 2017.

OBJECTIVES AND ACTIVITIES

The objectives of the Society are:

- (1) To maintain unimpaired the purity of the breed of cattle known as Shorthorn Cattle, the pedigrees of which are in use to be registered in the herd book known as Coates Herd Book (hereinafter referred to as "Shorthorns"); to promote the breeding of Shorthorns and more especially the strains thereof known as "Scotch" Shorthorns and generally to promote the interests of the breeders and owners of such cattle.
- (2) To further the above objects by collecting and verifying information of all kinds relative to Shorthorns and publishing the same by any method in the United Kingdom and elsewhere in any part of the world, and by corresponding with and affiliating Corporations, Societies, and persons in the United Kingdom and abroad interested in or professing objects similar to or connected with the objects of the Association.
- (3) To receive and apply contributions from any other Associations, Societies or persons in aid of the objects of the Association: to receive subscriptions and other payments in return for, or in consideration of, the issue of any publications of the Association, and/or the entry therein of information regarding Shorthorns, also to contract with members of the Association or of the public for the insertion of advertisements in any publications of the Association.
- (4) To promote and conduct sales and purchases of Shorthorns and that either directly, or by means of agents and/or Auctioneers instructed or employed by the Association: to make and enforce regulations for the conduct of such sales and to charge and receive commission in respect of such business.
- (5) To promote exhibitions of Shorthorns whether or not belonging to members of the Association by any means which the Association may deem expedient and if thought fit by contributing money to be awarded as prize or prizes, premium or premiums to the owner or owners, or breeders of any Shorthorn or Shorthorns selected by a Judge or Judges appointed by the Association or others, and that in Great Britain or any other part of the world: also to contribute money to be applied in giving prizes to cross-bred cattle with an infusion of Shorthorn blood.
- (6) To receive monies from any persons, Society or Company and to hold the same in trust for the objects of the Association and to raise, manage and invest funds.
- (7) To undertake the arbitration upon and settlement of disputes between Members of the Association relating to or connected with Shorthorns.
- (8) To investigate suspicious or doubtful pedigrees of Shorthorns, and to investigate any alleged frauds, misrepresentations, and/or mal-practices relating to Shorthorns and/or to publish the results of such investigations.
- (9) To institute enquiries and to prosecute or defend legal or other proceedings relating to Shorthorns or to the Association, subject always to the laws relating to champerty and maintenance.
- (10) To purchase, take on lease, hire and acquire for the purposes of the Association, houses, lands, goods and other property, and to sell, let or otherwise dispose of the same, as may be deemed expedient with a view to the promotion of the objects of the Association.
- (11) To raise or borrow money for the purposes of the Association and to secure the same by mortgage or charge of the property of the Association or by the issue of debentures or debenture stock.
- (12) To invest and deal with any monies not for the time being required for the purposes of the Association including such investments and in such manner as may be thought fit provided that monies subject or representing property subject to the jurisdiction of the Charity Commissioners or of any authority exercising corresponding jurisdiction in Scotland shall only be invested in such securities and with sanction (if any) as may for the time being be prescribed by law.
- (13) To do all such other lawful things as are incidental or conducive to the attainment of the above objects.

ACHIEVEMENTS AND PERFORMANCE

Review of the year

2017 has been another memorable year for the Beef Shorthorn Cattle Society in a number of ways.

Following the resignation of Milly Fyfe who acted as joint Chief Executive of both our Society and the Shorthorn Society (Dairy) the Directors decided that they wished to appoint a Breed Secretary who was solely dedicated to the Beef Shorthorn Cattle Society work. The Shorthorn Society felt unable to continue the management arrangement to carry out BSCS administration if a separate Breed Secretary was appointed and negotiations failed to resolve this issue. The

administration and registrations for the BSCS were subsequently moved to Pedigree Cattle Services at Perth with the accounts work being carried out by MMG Archbold.

The Beef Shorthorn Cattle Society
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Report of the Directors (cont.)

Review of the year (cont.)

A new Breed Secretary, Joanna Bailey, was appointed and took up her position with the Society on 1st August, 2017. The number of pedigree registrations continues to be sustained and the membership numbers are on the increase with 91 new members joining in 2017.

A new breed record price for a bull of 26,000 gns was set at the Stirling Bull sales in February with a record average of £5,914 which was up £1,676 on the year. Females have seen a solid trade at all sales throughout the year with very high clearance rates.

The Society continues to have stands at the major shows and events such as Beef Expo, Agri-Expo and other similar open days to promote the breed. The stands this year were manned by the area clubs and this has been a great success with members able to talk to commercial producers and prospective members to get our message across that the Beef Shorthorn is the ideal suckler cow.

Our Development day for younger members and new members to the breed took place this year in Northern Ireland and was well attended. Workshops included performance recording, cattle dressing, ring skills and linear classifying. The second day saw a visit to a commercial farm using Beef Shorthorns to supply a quality meat scheme. This event has become an important one in our calendar with younger members returning to increase their knowledge and new members finding it an invaluable initiation in to the breed.

This year also saw our inaugural competition for university and college students to increase their awareness of the Beef Shorthorn breed. Entries were received UK wide. The students were asked to produce an essay about the future of suckler production in the UK post Brexit and how the Beef Shorthorn might fit that model. The winner was Orla Kelly from NI. Orla gave a presentation to the Development day attendees and will also be giving her presentation to the Cattle Breeders Conference in February.

Shorthorn branded beef is now available in more Morrisons stores than ever before and the number of cattle receiving the Scheme Premium as sired by a registered Beef Shorthorn bull continues to rise. This has fuelled an increased demand for shorthorn cross store cattle.

2017 saw the first pure bred Beef Shorthorn cattle going through a finishing scheme to collect data about the profitability of the breed. The results were very encouraging and the Society has now decided to repeat the exercise with cross bred cattle so that we can promote the attributes of the breed to the commercial producer.

The Society's continued emphasis on the correct health status of cattle at Society sales creates an assurance for buyers. The Society's Breed Development committee is looking at the opportunities of using genetics and genomics to further enhance the forward development of the breed. A maternal index is also in development to highlight the maternal traits which place the Beef Shorthorn as the ideal functional suckler cow.

FINANCIAL REVIEW

With regard to movement of funds, the overall surplus of income over expenditure was £166,156, with unrestricted funds at the end of the financial year of £740,359, and restricted funds of £3,100.

Reserves policy

The directors have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ("the free reserves") held by the Society should be sufficient to cover the resources likely to be expended in the following year which equates to approximately £175,000, with the balance being held to cover any unforeseen monetary needs in general funds. The directors do not envisage any significant changes in future years.

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Report of the Directors (cont.)

Investment policy

The investments held in the Glenisla Fund were gifted to the Society in the form of shares in three investment trusts. The directors consider that this is the most appropriate way to invest the fund and that this meets requirements to generate income and maintain the capital value of the gift.

The investments held generated income of £14,577 in the year, which the directors consider to be satisfactory.

PLANS FOR FUTURE PERIODS

The purity of the Breed remains paramount and conditions for entry into Coates's Herd Book Beef will be kept under constant review.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charitable Status

The Society is a charitable company limited by guarantee, incorporated on 14 November, 1936. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The company is registered as a charity in Scotland.

Directors

As set out in the Articles of Association, directors are elected by the members at the AGM to serve a period of three years. Overall policy is determined by the board of directors. Day-to-day operations are the responsibility of the Secretary.

Induction and training of directors

New directors are provided with a booklet detailing their roles and responsibilities, copies of the previous annual report and accounts and previous board minutes. In addition, each has a meeting with the Secretary to discuss how the Society is run.

Risk review

The board of directors has conducted its own review of the major risks to which the organisation is exposed and systems have been established to mitigate those risks. Internal operating risks are minimised by the implementation of procedures for the authorisation of all transactions. These procedures are under constant review.

The Beef Shorthorn Cattle Society
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Company Information

DIRECTORS: Mark A Holmes
Geoffrey L Riby
David G Alexander
Donald J Biggar OBE
Carey D Coombs
Trevor C Brown
The Rt. Hon. Gerald Turton
Major John P O Gibb
Charles A Horrell
Sally A Horrell
Caroline Ivinson
Charles S Horton
Cathryn M Williamson
Tina Russell
Steven Johnson
Shona M Calder Appointed 5 February 2017
Martin H R Reynolds Appointed 5 February 2017

SECRETARY: Camilla Fyfe Resigned 7 April 2017
Cathryn M Williamson Appointed 1 May 2017

REGISTERED OFFICE: Chapelshade House
78 – 84 Bell Street
Dundee
DD1 1RQ

REGISTERED NUMBER: SC019414

REGISTERED CHARITY: SC010218

INDEPENDENT EXAMINER: Derek Grant CA
MMG Archbold CA
Chapelshade House
78 – 84 Bell Street
Dundee
DD1 1RQ

BANKERS: HSBC
133 – 135 Daventry Road
Cheylesmore
Coventry
CV3 5HD

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Report of the Directors (cont.)

Statement of Trustees' Responsibilities

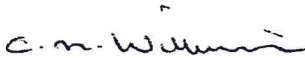
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that year. In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued March 2005) and in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board and signed on its behalf by



Cathryn Williamson - Secretary
22 November 2017

The Beef Shorthorn Cattle Society
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Independent Examiner's Report to the Trustees and Members of
The Beef Shorthorn Cattle Society

I report on the financial statements of The Beef Shorthorn Cattle Society for the year ended 31 August 2017 as set out on pages 7 to 17.

Respective responsibilities of Trustees and Independent Examiner

The Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records.

It also includes consideration of any unusual items or disclosures in the accounts and seeks explanation from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Derek Grant CA
MMG Archbold
Chartered Accountants
Chapelshade House
78 – 84 Bell Street
Dundee
DD1 1RQ

23 November 2017

The Beef Shorthorn Cattle Society
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Statement of Financial Activities
(Incorporating Income and Expenditure Account)
for the year ended 31 August 2017

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>Year to</u> <u>31.08.17</u> £	<u>Total</u> <u>Year to</u> <u>31.08.16</u> £
Income and endowments from:					
Donations and legacies	1	27,288	-	27,288	27,558
Charitable activities	2	268,201	-	268,201	185,735
Investment	3	<u>14,629</u>	-	<u>14,629</u>	<u>13,828</u>
Total income		<u>310,118</u>	<u>-</u>	<u>310,118</u>	<u>227,121</u>
Resources expended					
Raising funds	4	2,638	-	2,638	2,052
Charitable activities	5	<u>206,888</u>	<u>-</u>	<u>206,888</u>	<u>208,745</u>
Total expenditure		<u>209,526</u>	<u>-</u>	<u>209,526</u>	<u>210,797</u>
Net gains/(losses) on investments		<u>65,564</u>	<u>-</u>	<u>65,564</u>	<u>55,277</u>
Net income/(expenditure)		166,156	-	166,156	71,601
Total funds at 1 September 2016		<u>574,203</u>	<u>3,100</u>	<u>577,303</u>	<u>505,702</u>
Total funds at 31 August 2017	13	<u>740,359</u>	<u>3,100</u>	<u>743,459</u>	<u>577,303</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous periods.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous periods.

The notes form part of these financial statements

The Beef Shorthorn Cattle Society
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Balance Sheet as at 31 August 2017

		<u>2017</u>			<u>2016</u>
	<u>Note</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
		<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Fixed Assets:					
Tangible assets	7	796	-	796	133
Investments	8	<u>586,770</u>	-	<u>586,770</u>	<u>521,895</u>
		<u>587,566</u>	-	<u>587,566</u>	<u>522,028</u>
Current Assets:	9				
Stock		-	-	-	714
Debtors		106,474	-	106,474	55,363
Cash at bank and in hand		<u>112,394</u>	<u>3,100</u>	<u>115,494</u>	<u>61,331</u>
		<u>218,868</u>	<u>3,100</u>	<u>221,968</u>	<u>117,408</u>
Creditors					
Amounts falling due within one year	10	<u>(66,075)</u>	-	<u>(66,075)</u>	<u>(62,133)</u>
Net Current Assets		152,793	3,100	155,893	55,275
Total funds at 31 March 2017		<u>740,359</u>	<u>3,100</u>	<u>743,459</u>	<u>577,303</u>
CAPITAL AND RESERVES					
Restricted funds:					
Capital reserve	11			<u>3,100</u>	<u>3,100</u>
				3,100	3,100
Unrestricted funds:					
General funds				740,359	494,213
Glenisla fund	12			<u>-</u>	<u>79,990</u>
				<u>740,359</u>	<u>574,203</u>
Total funds				<u>743,459</u>	<u>577,303</u>

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 August 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2017 in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for:

- a) Ensuring that the company keeps proper accounting records which comply with Sections 386 and 387 of the Companies Act 2006, and
- b) Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

The Beef Shorthorn Cattle Society
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Balance Sheet as at 31 August 2017

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board on 22 November 2017 and signed on its behalf by



Trevor Brown – DIRECTOR

The notes form part of these financial statements

The Beef Shorthorn Cattle Society
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Notes to the Financial Statements
for the year ended 31 August 2017

ACCOUNTING POLICIES

The following accounting policies have been applied consistently in the current and preceding year in dealing with items which are considered material in relation to the charity's accounts.

Basis of preparation

The accounts 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 Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The financial statements have been prepared on the going concern basis. The directors consider that it is appropriate to prepare the financial statements on this basis as there are sufficient reserves carried forward and future income streams have been identified. If the company were unable to continue as a going concern, the accounts would have to be adjusted to write down assets to their recoverable amount, to provide for any additional losses or liabilities that might arise and to reclassify fixed assets as current assets.

Funds

- i) Restricted funds are funds subject to specific declaration by the donor or expendable at the discretion of the Directors in furtherance of a particular activity.
- ii) Unrestricted funds are expendable at the discretion of the Directors in furtherance of the aims of the Beef Shorthorn Cattle Society.

Status of the company

The Beef Shorthorn Cattle Society is a company limited by guarantee of its members and does not have a share capital. Each member has undertaken to contribute an amount not exceeding one pound towards any deficit arising in the event of the company being wound up.

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. The following specific policies are applied to particular categories of income:

- i) Shares donated have been recognised as a donation at market value on date of receipt through the statement of financial activities.
- ii) Investment income is included when receivable.
- iii) Subscriptions are credited to income in the period to which they relate and any deferred income is carried forward.
- iv) DNA income received for future testing programme is credited to income in the period in which it is received subject to a 14% deferral to future periods, based on the researched level of registered calves which subsequently sire progeny. This deferred income will be credited to the statement of financial activities in the period in which it is required to meet the related costs of DNA tests.

Resources expended

Expenditure is recognised on an accruals basis as a liability and is incurred and allocated between funds on a direct basis:

- i) Charitable expenditure comprised those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities as well as those of an indirect nature necessary to support them.
- ii) Costs of generating funds comprise the costs associated with management of the investment portfolio.
- iii) Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

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Notes to the Financial Statements (cont.)
for the year ended 31 August 2017

ACCOUNTING POLICIES (continued)

Tangible fixed assets

Depreciation is calculated to write off the cost of the fixed assets as follows:

Cups and trophies	-	3 years
Computer equipment	-	5 years

Investments

Investments are included at market value. Realised gains and losses, representing the difference between sale proceeds and cost are dealt with in the SOFA. Unrealised gains and losses, representing the movement in the market value of investments over the financial year, or from their date of purchase if acquired during the financial year, are shown in note 8. In the case of a permanent diminution in the value of investments, provision is made in the SOFA to reduce the carrying value to the recoverable amount.

Stocks

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

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Notes to the Financial Statements (cont.)
for the year ended 31 August 2017

1. DONATIONS & LEGACIES

	<u>2017</u>		<u>Total</u>	<u>2016</u>
	<u>Unrestricted</u>	<u>Restricted</u>		
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Subscriptions	26,992	-	26,992	24,888
Donations	296	-	296	628
Gift Aid	-	-	-	<u>2,042</u>
	<u>27,288</u>	<u>-</u>	<u>27,288</u>	<u>27,558</u>

Total donations and legacies in the prior year were £27,558 all of which was unrestricted.

2. CHARITABLE ACTIVITIES

Commission on levy on sales	37,226	-	37,226	24,422
Herd book	125,867	-	125,867	114,043
Transfer certificates	19,796	-	19,796	16,288
Herd prefixes	2,760	-	2,760	2,700
Advertising	14,366	-	14,366	11,791
DNA Tests	7,280	-	7,280	9,843
Licence and breed development fee	60,000	-	60,000	5,000
Coates Herd book	268	-	268	390
Merchandise income	182	-	182	192
Sundry receipts	456	-	456	<u>1,066</u>
	<u>268,201</u>	<u>-</u>	<u>268,201</u>	<u>185,735</u>

Charitable activities in the prior year were £185,735, all of which was unrestricted.

3. INVESTMENT INCOME

Dividend income	14,577	-	14,577	13,708
Bank interest	52	-	52	120
	<u>14,629</u>	<u>-</u>	<u>14,629</u>	<u>13,828</u>

Investment income in the prior year was £13,828, all of which was unrestricted.

4. RAISING FUNDS

	<u>2017</u>		<u>Total</u>	<u>2016</u>
	<u>Unrestricted</u>	<u>Restricted</u>		
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Investment manager's fees	<u>2,638</u>	<u>-</u>	<u>2,638</u>	<u>2,052</u>

Raising funds in the prior year was £2,052, all of which was unrestricted.

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Notes to the Financial Statements (cont.)
for the year ended 31 August 2017

5. CHARITABLE ACTIVITIES	<u>2017</u>		<u>Total</u>	<u>2016</u>
	<u>Unrestricted</u>	<u>Restricted</u>		
	<u>Funds</u>	<u>Funds</u>		
	£	£	£	£
Management fee	68,216	-	68,216	82,038
Payroll expenses	3,840	-	3,840	-
Postages and telephone	6,585	-	6,585	10,582
Printing and stationery	4,891	-	4,891	5,488
Database costs	2,692	-	2,692	3,179
Subscriptions	528	-	528	729
Computer maintenance	1,800	-	1,800	30
Professional fees	4,924	-	4,924	7,529
Advertising	19,659	-	19,659	11,357
Publicity	18,960	-	18,960	16,317
Shows and events	22,014	-	22,014	12,712
Travel expenses	7,588	-	7,588	11,041
Annual Dinner deficit	1,074	-	1,074	284
Contribution to Regional Breeders Club	-	-	-	460
Insurance	1,697	-	1,697	1,670
Bank charges	1,017	-	1,017	1,138
Miscellaneous	3,104	-	3,104	2,736
Social events	-	-	-	1,444
Coates Herd Book	458	-	458	-
Journal	18,900	-	18,900	19,835
Other publications	-	-	-	2,352
Depreciation	199	-	199	375
Loss on disposal of assets	133	-	133	303
Classifications	8,071	-	8,071	3,100
Myostatin testing	-	-	-	2,130
Young Development expenses	600	-	600	1,250
Young Bull Improver Scheme	2,064	-	2,064	-
World Shorthorn Conference	-	-	-	1,833
Accountancy and bookkeeping	3,132	-	3,132	-
Independent examiners fee	2,600	-	2,600	2,000
Meeting expenses	-	-	-	3,083
Recruitment costs	<u>2,142</u>	<u>-</u>	<u>2,142</u>	<u>3,750</u>
	<u>206,888</u>	<u>-</u>	<u>206,888</u>	<u>208,745</u>

Resources expended in the prior year was £208,745, all of which was unrestricted.

No directors' remuneration was paid for the year ended 31 August 2017 nor for the year ended 31 August 2016. Travel expenses totalling £1,561 were paid to two directors for the year ended 31 August 2017 (2016 - £1,018). The directors who received travel expenses in the year were Charles S Horton, who received £1,062 (2016 - £543) and Tina Russell, who received £499 (2016 - £475).

The average weekly number of employees during the year was as follows:-

	<u>2017</u>	<u>2016</u>
Directors	<u>17</u>	<u>15</u>

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Notes to the Financial Statements (cont.)
for the year ended 31 August 2017

6. **TAXATION**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 August 2017 nor for the year ended 31 August 2016.

7. **TANGIBLE FIXED ASSETS**

	<u>Cups & Trophies</u>	<u>Computer Equipment</u>	<u>Total</u>
	£	£	£
COST			
As at 1 September 2016	2,532	1,871	4,403
Additions	-	995	995
Disposals	<u>-</u>	<u>(1,871)</u>	<u>(1,871)</u>
As at 31 August 2017	<u>2,532</u>	<u>995</u>	<u>3,527</u>
DEPRECIATION			
As at 1 September 2016	2,532	1,738	4,270
Charge for year	-	199	199
On disposal	<u>-</u>	<u>(1,738)</u>	<u>(1,738)</u>
As at 31 August 2017	<u>2,532</u>	<u>199</u>	<u>2,731</u>
NET BOOK VALUE			
As at 31 August 2017	<u>-</u>	<u>796</u>	<u>796</u>
As at 31 August 2016	<u>-</u>	<u>133</u>	<u>133</u>

Tangible fixed assets in the prior year were £133, all of which was unrestricted.

8. **INVESTMENTS**

	£
Cost at 1 September 2016	350,802
Unrealised appreciation	<u>171,093</u>
Market value at 1 September 2016	521,895
Additions at cost	24,322
Disposals at cost	(21,905)
Increase in unrealised appreciation	<u>62,458</u>
Market value at 31 August 2017	<u>586,770</u>

Analysis of Listed Investments

	<u>Market value</u>	<u>Market value</u>
	<u>2017</u>	<u>2016</u>
	£	£
UK Equities	429,661	380,630
Overseas Equities	57,365	53,257
Overseas Bonds	<u>99,744</u>	<u>88,088</u>
	<u>586,770</u>	<u>521,895</u>

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Notes to the Financial Statements (cont.)
for the year ended 31 August 2017

8. **INVESTMENTS (cont.)**

	<u>2017</u>		<u>Total</u> <u>Funds</u> £	<u>2016</u> <u>Total</u> <u>Funds</u> £
	<u>Unrestricted</u>	<u>Restricted</u>		
	<u>Funds</u> £	<u>Funds</u> £		
Gain on realisation of investment assets	3,106	-	3,106	2,801
(Decrease) / Increase in unrealised appreciation	<u>62,458</u>	<u>-</u>	<u>62,458</u>	<u>52,476</u>
	<u>65,564</u>	<u>-</u>	<u>65,564</u>	<u>55,277</u>

The directors consider individual investment holdings in excess of 5% of the portfolio value to be material.

Material interest

	<u>Market</u> <u>value</u> <u>2017</u> £
Scottish Mortgage and Investment Trust	<u>64,965</u>

Investments in the prior year were £521,895, all of which was unrestricted.

9. **CURRENT ASSETS**

Debtors	<u>2017</u> £	<u>2016</u> £
Trade debtors	98,740	38,227
Other debtors	<u>7,734</u>	<u>17,136</u>
	<u>106,474</u>	<u>55,363</u>

Debtors in the prior year were £55,363, all of which was unrestricted.

Stock

Stock in the prior year was £714, all of which was unrestricted.

Cash at bank

Cash at bank and in hand in the prior year was £61,331 of which £58,231 was unrestricted and £3,100 was restricted.

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Notes to the Financial Statements (cont.)
for the year ended 31 August 2017

10. **CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	<u>2017</u>	<u>2016</u>
	£	£
Trade creditors	-	28,003
Accrued expenses	32,212	14,701
VAT	14,752	1,068
Social security	1,107	-
Income in advance – DNA testing	-	8,329
Income in advance - other	<u>18,004</u>	<u>10,032</u>
	<u>66,075</u>	<u>62,133</u>

Current liabilities in the prior year were £78,579, all of which was unrestricted.

11. **CAPITAL RESERVE**

	<u>2017</u>	<u>2016</u>
	£	£
Brought forward	<u>3,100</u>	<u>3,100</u>

12. **GLENISLA FUND**

	<u>Market Value</u>	
	<u>2017</u>	<u>2016</u>
	£	£
Alliance Trust plc – 3,500	-	19,933
Edinburgh Investment Trust plc - 1,900	-	13,632
Scottish Mortgage Investment Trust plc - 15,000	<u>-</u>	<u>46,425</u>
	<u>-</u>	<u>79,990</u>

During the year approval was given by the benefactors of the Glenisla Fund to remove its designation and merge the fund into general funds.

13. **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
	£	£	£
Tangible assets	796	-	796
Investments	586,770	-	586,770
Current assets	218,868	3,100	221,968
Current liabilities	<u>(66,075)</u>	<u>-</u>	<u>(66,075)</u>
	<u>740,359</u>	<u>3,100</u>	<u>743,459</u>

14. **RELATED PARTY TRANSACTIONS**

The company has received income totalling £15,809 (2016 - £14,382) from trustees during the year.

The Beef Shorthorn Cattle Society
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Notes to the Financial Statements (cont.)
for the year ended 31 August 2017

15. **VOLUNTEERS**

The society is fortunate to have a board of directors who support its activities on a voluntary basis. In addition the society has several clubs situated around the country with members who are passionate about promoting the breed, attend local shows and organise regional competitions/events.

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Detailed Income & Expenditure Account
for the year ended 31 August 2017

	<u>2017</u>		<u>2016</u>	
Income:	£	£	£	£
Subscriptions	26,992		24,888	
Gift Aid	-		2,042	
Commission on levy on sales	37,226		24,422	
Herd Book	125,867		114,043	
Transfer certificates	19,796		16,288	
DNA tests	7,280		9,843	
Herd prefix	2,760		2,700	
Licence and Breed Development fee	60,000		5,000	
Coates Herd Book	<u>268</u>		<u>390</u>	
		280,189		199,616
Cost of sales:				
Management fee		<u>68,216</u>		<u>82,038</u>
GROSS SURPLUS		211,973		117,578
Other Income:				
Advertising income - Journal	12,481		11,543	
Advertising income - Other	1,885		248	
Donations received	296		628	
Annual Dinner deficit	(1,074)		(284)	
Social events deficit	-		(1,444)	
Sundry receipts	456		1,066	
Merchandise income	182		192	
Equity investments	14,577		13,708	
Deposit accounts	<u>52</u>		<u>120</u>	
		<u>28,855</u>		<u>25,777</u>
		240,828		143,355
ADMINISTRATIVE EXPENSES				
Postages and telephone	6,585		10,582	
Printing and stationery	4,891		5,488	
Coates Herd Book	458		-	
Subscriptions	528		729	
Database costs	2,692		3,179	
Computer maintenance	1,800		30	
Payroll expenses	3,840		-	
Accountancy and bookkeeping	3,132		-	
Independent examiner remuneration	2,600		2,000	
Investment managers fee	2,638		2,052	
Professional fees	<u>4,924</u>		<u>7,529</u>	
		<u>34,088</u>		<u>31,589</u>
Carried forward		206,740		111,766

This page does not form part of the statutory financial statements

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Detailed Income & Expenditure Account
for the year ended 31 August 2017

	<u>2017</u>		<u>2016</u>	
	£	£	£	£
Brought forward		206,740		111,766
OTHER OPERATING EXPENSES				
Advertising	19,659		11,357	
Publicity	18,960		16,317	
Show and events	22,014		12,712	
Travel expenses	7,588		14,124	
Insurance	1,697		1,670	
Bank charges	1,017		1,138	
Contribution to Regional Breeders club	-		460	
Other publications	-		2,352	
Classifications	8,071		3,100	
Myostatin testing	-		2,130	
World Shorthorn Conference	-		1,833	
Young Bull Improvers Scheme	2,064		-	
Miscellaneous	5,246		6,486	
Journal	18,900		19,835	
Depreciation	199		375	
Loss on disposal of assets	133		303	
Youth Development expenses	<u>600</u>		<u>1,250</u>	
		<u>106,148</u>		<u>95,442</u>
NET SURPLUS		<u>100,592</u>		<u>16,324</u>