

REGISTERAR

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

**Report of the Directors and**  
**Unaudited Financial Statements**  
**for the year to 31 August 2020**  
**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**  
**a company limited by guarantee**  
**Company Number SC019414**

**Report of the Directors**

The Directors present their annual report for the year ended 31 August 2020.

**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 arbitrament 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.

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

## **ACHIEVEMENTS AND PERFORMANCE**

### **Review of the year**

Last year's uncertainty over the future of the agricultural industry because of Brexit has been overshadowed by the COVID 19 pandemic which took grip in March 2020 meaning that all the agricultural shows and events due to take place in the summer were cancelled and sales had to operate under restricted conditions.

The February Bull Sales at Stirling had seen a strong demand for Shorthorns with 2 bulls selling at 20,000 gns and 53 bulls sold at an average of £4,780. This followed on from successful Society Sales in October and November 2019 at Stirling and Skipton where again there was a solid trade in females with high clearance rates.

The Society continues to work closely with Morrisons to raise awareness of the breed and encourage demand for Beef Shorthorn cross store cattle. At the Spring Sale of store cattle supported by Morrisons, C & D Auction Marts of Longtown had an entry of 96 Beef shorthorn and Beef shorthorn crosses.

Despite the difficulties and disruptions caused by COVID, interest in the breed continues to grow with 30 new Members joining the Society in the last 12 months. The Society continues to encourage both new and existing Members to join initiatives including performance recording, linear classifying and health scheme recording.

July marked the first anniversary of the appointment of the British Charolais Cattle Society as our service providers and they have given an efficient and effective registrations and accounts service to our Members and brought our administrative processes up to date resolving some historic issues in the process.

Due to the COVID restrictions, systems were put in place to enable the staff and service providers to work safely from home with minimum disruption to the Members.

The Society Directors have continued to hold meetings throughout the year albeit online and the Publicity and Sales Committees are working hard to introduce a new online sales platform for Members and ensure increased social media coverage.

The testing of selected females for Myostatin (Heifers born in 2018, at the point that their first calf is registered) has been introduced to build up the database on the female side gradually. For the time being the cost of this testing (approximately £30k per annum) is being borne by the Society. The benefits of gathering and interpreting female Myostatin data and the ability to enable informed decisions upon its impact on the breed is felt to be beneficial to Members.

The Society's Articles of Association are under Review and work is ongoing with a view to presenting revised Articles to the Members in Spring 2021.

## **FINANCIAL REVIEW**

With regard to movement of funds, the overall deficit of expenditure over income was £21,260, with unrestricted funds at the end of the financial year of £853,711, including £60,000 designated for the Breed Development Testing Reserve, and restricted funds of £2,500.

### **Reserves policy**

The Directors have a Policy to maintain Unrestricted Funds equal to at least two years normal annual expenditure. The Directors do not envisage any significant changes to the Reserves Policy in the near future.

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

**Investment policy**

The Society maintains an investment portfolio of shares, bonds and cash in order to benefit from capital gain and to generate income. Fund Managers are appointed to manage the portfolio and invest surplus cash. The Fund Managers have discretionary powers over investment policy and stock picking. The Fund Managers submit half yearly performance reports and annual tax reports.

The investments held generated income of £19,521 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 Company Secretary.

**Induction and training/development of Directors**

New Directors are provided with information detailing their roles and responsibilities, copies of the previous annual report and accounts and previous board minutes. In addition, each has a meeting with key staff or fellow Directors to discuss how the Society is run and their role as a Director. Directors are required to have the appropriate skills to carry out their role and development is encouraged by the Society by organising training and refresher events and issuing information on governance matters. Directors are asked to review and sign a Directors Code of Conduct.

**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. The Board continues to review strategy and performance and considers the challenges and issues. 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**

<b>DIRECTORS:</b>	Geoffrey L Riby Donald J Biggar OBE Carey D Coombs The Rt. Hon. Gerald Turton ‘Honorary Vice President’ Major John P O Gibb ‘Honorary Vice President’ Charles A Horrell Sally A Horrell Charles S Horton Cathryn M Williamson Shona M Calder Martin H R Reynolds Richard Henning Timothy P Coles David Dickie Ian J Rickatson Timothy Riley Alfie Shaw (appointed 2 February 2020) John H Wilson (appointed 13 March 2020) David G Alexander (resigned 4 September 2019) Steven Johnson (resigned 30 December 2019) Caroline Ivinson (resigned 3 August 2020)
<b>COMPANY SECRETARY:</b>	Cathryn M Williamson
<b>REGISTERED OFFICE:</b>	Chapelshade House 78 – 84 Bell Street Dundee DD1 1RQ
<b>REGISTERED NUMBER:</b>	SC019414
<b>REGISTERED CHARITY:</b>	SC010218
<b>INDEPENDENT EXAMINER:</b>	Derek Grant CA MMG Archbold Ltd Chapelshade House 78 – 84 Bell Street Dundee DD1 1RQ
<b>BANKERS:</b>	HSBC 133 – 135 Daventry Road Cheylesmore Coventry CV3 5HD

**The Beef Shorthorn Cattle Society**  
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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 – Company Secretary**  
18 November 2020

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

**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 2020 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 Ltd**  
**Chartered Accountants**  
**Chapelshade House**  
**78 – 84 Bell Street**  
**Dundee**  
**DD1 1RQ**

**18 November 2020**



**The Beef Shorthorn Cattle Society**  
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**Statement of Financial Activities**  
**(Incorporating Income and Expenditure Account)**  
**for the year ended 31 August 2020**

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>Year to</u> <u>31.08.20</u> £	<u>Total</u> <u>Year to</u> <u>31.08.19</u> £
<b>Income and endowments from:</b>					
Donations and legacies	1	38,584	2,500	41,084	27,850
Charitable activities	2	306,841	-	306,841	314,815
Investment	3	<u>19,526</u>	<u>-</u>	<u>19,526</u>	<u>19,262</u>
<b>Total income</b>		<u>364,951</u>	<u>2,500</u>	<u>367,451</u>	<u>361,927</u>
<b>Resources expended</b>					
Raising funds	4	4,436	-	4,436	4,312
Charitable activities	5	<u>382,684</u>	<u>-</u>	<u>382,684</u>	<u>314,230</u>
<b>Total expenditure</b>		<u>387,120</u>	<u>-</u>	<u>387,120</u>	<u>318,542</u>
Net (losses)/gains on investments	8	<u>(1,591)</u>	<u>-</u>	<u>(1,591)</u>	<u>4,049</u>
<b>Net (expenditure)/income before transfers</b>		<b>(23,760)</b>	<b>2,500</b>	<b>(21,260)</b>	<b>47,434</b>
<b>Transfers between funds</b>		<b>3,100</b>	<b>(3,100)</b>	<b>-</b>	<b>-</b>
<b>Net (expenditure)/income</b>		<b>(20,660)</b>	<b>(600)</b>	<b>(21,260)</b>	<b>47,434</b>
Total funds at 1 September 2019		<u>874,371</u>	<u>3,100</u>	<u>877,471</u>	<u>830,037</u>
<b>Total funds at 31 August 2020</b>	13	<u>853,711</u>	<u>2,500</u>	<u>856,211</u>	<u>877,471</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 2020**

		<u>2020</u>			<u>2019</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>
		£	£	£	£
<b>Fixed Assets:</b>					
Tangible assets	7	2,472	-	2,472	2,908
Investments	8	<u>759,919</u>	<u>-</u>	<u>759,919</u>	<u>754,107</u>
		<u>762,391</u>	<u>-</u>	<u>762,391</u>	<u>757,015</u>
<b>Current Assets:</b>	9				
Stock		1,462	-	1,462	1,004
Debtors		57,031	-	57,031	43,129
Cash at bank and in hand		<u>104,243</u>	<u>2,500</u>	<u>106,743</u>	<u>126,916</u>
		<u>162,736</u>	<u>2,500</u>	<u>165,236</u>	<u>171,049</u>
<b>Creditors</b>					
Amounts falling due within one year	10	<u>(71,416)</u>	<u>-</u>	<u>(71,416)</u>	<u>(50,593)</u>
<b>Net Current Assets</b>		91,320	2,500	93,820	120,456
<b>Total funds</b>		<u>853,711</u>	<u>2,500</u>	<u>856,211</u>	<u>877,471</u>
<b>CAPITAL AND RESERVES</b>					
<b>Restricted funds:</b>	13				
Caramba fund				2,500	-
Capital reserve				<u>-</u>	<u>3,100</u>
				2,500	3,100
<b>Unrestricted funds:</b>	13				
General funds				793,711	874,371
Designated funds				<u>60,000</u>	<u>-</u>
<b>Total funds</b>				<u>856,211</u>	<u>877,471</u>

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 August 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2020 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**  
**a company limited by guarantee**  
**Company Number SC019414**

**Balance Sheet as at 31 August 2020**

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 18 November 2020 and signed on its behalf by



**Charles Horton – DIRECTOR**

The notes form part of these financial statements

**The Beef Shorthorn Cattle Society**  
**a company limited by guarantee**  
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**Notes to the Financial Statements**  
**for the year ended 31 August 2020**

## 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 2020**

**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.

**Financial Instruments**

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**The Beef Shorthorn Cattle Society**  
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**Notes to the Financial Statements (cont.)**  
**for the year ended 31 August 2020**

**1. DONATIONS & LEGACIES**

	<u>2020</u>		<u>Total</u>	<u>2019</u>
	<u>Unrestricted</u>	<u>Restricted</u>		
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
	£	£	£	£
Subscriptions	27,972	-	27,972	27,270
Grants	10,000	-	10,000	-
Donations	<u>612</u>	<u>2,500</u>	<u>3,112</u>	<u>580</u>
	<u>38,584</u>	<u>2,500</u>	<u>41,084</u>	<u>27,850</u>

Total donations and legacies in the prior year were £27,850 all of which was unrestricted.

**2. CHARITABLE ACTIVITIES**

Commission on levy on sales	13,960	-	13,960	35,755
Title registration fees	150,162	-	150,162	150,231
Transfer certificates	20,025	-	20,025	22,100
Herd prefixes	3,120	-	3,120	2,520
Advertising	10,853	-	10,853	11,537
DNA Tests	35,576	-	35,576	29,417
Licence and breed development	60,000	-	60,000	60,000
Doug Dear project	10,527	-	10,527	-
Merchandise income	2,618	-	2,618	2,403
Sundry receipts	-	-	-	<u>852</u>
	<u>306,841</u>	<u>-</u>	<u>306,841</u>	<u>314,815</u>

Charitable activities in the prior year were £314,815, all of which was unrestricted.

**3. INVESTMENT INCOME**

Dividend income	19,521	-	19,521	19,262
Bank interest	<u>5</u>	<u>-</u>	<u>5</u>	<u>-</u>
	<u>19,526</u>	<u>-</u>	<u>19,526</u>	<u>19,262</u>

Investment income in the prior year was £19,262, all of which was unrestricted.

**4. RAISING FUNDS**

Investment manager's fees	<u>4,436</u>	<u>-</u>	<u>4,436</u>	<u>4,312</u>
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Raising funds in the prior year was £4,312, all of which was unrestricted.

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**Notes to the Financial Statements (cont.)**  
**for the year ended 31 August 2020**

5. CHARITABLE ACTIVITIES	2020			2019
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
	£	£	£	£
Agent service fee	33,400	-	33,400	35,000
Agent admin fee	5,602	-	5,602	2,879
Payroll expenses	73,959	-	73,959	52,486
Postages and telephone	10,367	-	10,367	6,428
Printing and stationery	10,052	-	10,052	10,055
Database costs	6,996	-	6,996	5,335
Website development costs	5,236	-	5,236	6,567
Computer maintenance	1,360	-	1,360	3,649
Professional fees	16,703	-	16,703	6,332
Advertising	13,347	-	13,347	15,660
Publicity services	17,882	-	17,882	12,408
Journal	24,547	-	24,547	22,995
Shows and events	10,208	-	10,208	28,218
Directors travel and related expenses	5,084	-	5,084	3,191
Meeting expenses and Directors training	6,390	-	6,390	6,357
Annual Dinner deficit	489	-	489	731
Breed secretary expenses	2,986	-	2,986	4,116
Insurance	3,145	-	3,145	2,749
Bank charges	845	-	845	794
Miscellaneous	1,584	-	1,584	1,904
DNA testing	61,557	-	61,557	36,978
Classifications	14,227	-	14,227	12,394
Admin and accountancy services	36,234	-	36,234	23,835
Depreciation	1,153	-	1,153	1,010
Rent of office	9,375	-	9,375	781
Other office expenses	2,632	-	2,632	1,431
Shorthorn World Conference	1,060	-	1,060	-
Focus farms	-	-	-	1,228
Young Beef Farmer Award	-	-	-	158
MMG Accountancy and bookkeeping	3,924	-	3,924	6,311
Independent examiners fee	<u>2,340</u>	<u>-</u>	<u>2,340</u>	<u>2,250</u>
	<u>382,684</u>	<u>-</u>	<u>382,684</u>	<u>314,230</u>

Resources expended in the prior year was £314,230, all of which was unrestricted.

No Directors' remuneration was paid for the year ended 31 August 2020 nor for the year ended 31 August 2019. Travel expenses totalling £5,084 were paid to seven Directors for the year ended 31 August 2020 (2019 - £3,191).

Included within payroll expenses is termination payments amounting to £10,000.

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

	<u>2020</u>	<u>2019</u>
Directors	18	19
Employees	<u>1</u>	<u>1</u>
Total	<u>19</u>	<u>20</u>

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**Notes to the Financial Statements (cont.)**  
**for the year ended 31 August 2020**

6. **TAXATION**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 August 2020 nor for the year ended 31 August 2019.

7. **TANGIBLE FIXED ASSETS**

	<u>Cups &amp; Trophies</u>	<u>Fixtures &amp; Fittings</u>	<u>Computer Equipment</u>	<u>Total</u>
	£	£	£	£
<b>COST</b>				
As at 1 September 2019	2,532	2,000	2,547	7,079
Additions	-	-	717	717
Disposals	-	-	-	-
As at 31 August 2020	<u>2,532</u>	<u>2,000</u>	<u>3,264</u>	<u>7,796</u>
<b>DEPRECIATION</b>				
As at 1 September 2019	2,532	500	1,139	4,171
Charge for year	-	500	653	1,153
On disposal	-	-	-	-
As at 31 August 2020	<u>2,532</u>	<u>1,000</u>	<u>1,792</u>	<u>5,324</u>
<b>NET BOOK VALUE</b>				
As at 31 August 2020	<u>-</u>	<u>1,000</u>	<u>1,472</u>	<u>2,472</u>
As at 31 August 2019	<u>-</u>	<u>1,500</u>	<u>1,408</u>	<u>2,908</u>

Tangible fixed assets in the prior year were £2,908, all of which was unrestricted.

8. **INVESTMENTS**

	£
Cost at 1 September 2019	527,161
Unrealised appreciation	<u>226,946</u>
Market value at 1 September 2019	754,107
Additions at cost	63,722
Disposals at cost	(56,576)
Decrease in unrealised appreciation	<u>(1,334)</u>
Market value at 31 August 2020	<u>759,919</u>

**Analysis of Listed Investments**

	<u>Market value 2020</u>	<u>Market value 2019</u>
	£	£
UK Equities	522,114	522,537
Overseas Equities	131,650	123,734
Overseas Bonds	<u>106,155</u>	<u>107,836</u>
	<u>759,919</u>	<u>754,107</u>



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**Notes to the Financial Statements (cont.)**  
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8. INVESTMENTS (cont.)

	<u>2020</u>		<u>Total</u> <u>Funds</u> £	<u>2019</u> <u>Total</u> <u>Funds</u> £
	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £		
	(Loss) /gain on realisation of investment assets	(257)		-
(Decrease) / Increase in unrealised appreciation	<u>(1,334)</u>	<u>-</u>	<u>(1,334)</u>	<u>511</u>
	<u>(1,591)</u>	<u>-</u>	<u>(1,591)</u>	<u>4,049</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>2020</u> £
Scottish Mortgage and Investment Trust	<u>74,516</u>

Investments in the prior year were £754,107, all of which was unrestricted.

9. CURRENT ASSETS

<b>Debtors</b>	<u>2020</u> £	<u>2019</u> £
Trade debtors	48,293	31,222
Other debtors	<u>8,738</u>	<u>11,907</u>
	<u>57,031</u>	<u>43,129</u>

Debtors in the prior year were £43,129, all of which was unrestricted.

**Stock**

Stock in the prior year was £1,004, all of which was unrestricted.

**Cash at bank**

Cash at bank and in hand in the prior year was £126,916 of which £123,816 was unrestricted and £3,100 was restricted.

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**Notes to the Financial Statements (cont.)**  
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**10. CREDITORS: AMOUNTS FALLING DUE  
 WITHIN ONE YEAR**

	<u>2020</u>	<u>2019</u>
	£	£
Trade creditors	-	2,919
Accrued expenses	38,758	28,926
VAT	13,121	9,743
Income in advance - other	<u>19,537</u>	<u>9,005</u>
	<u>71,416</u>	<u>50,593</u>

Current liabilities in the prior year were £50,593, all of which was unrestricted.

**11. OPERATING LEASES**

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

	<u>2020</u>	<u>2019</u>
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	<u>1,971</u>	<u>1,971</u>
	<u>1,971</u>	<u>1,971</u>

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

	<u>Unrestricted</u>	Designated	<u>Restricted</u>	<u>Total</u>
	<u>Funds</u>	Funds	<u>Funds</u>	<u>Funds</u>
	£	£	£	£
Tangible assets	2,472	-	-	2,472
Investments	759,919	-	-	759,919
Current assets	102,736	60,000	2,500	165,236
Current liabilities	<u>(71,416)</u>	<u>-</u>	<u>-</u>	<u>(71,416)</u>
	<u>793,711</u>	<u>60,000</u>	<u>2,500</u>	<u>856,211</u>

**2019 comparatives**

	<u>Unrestricted</u>	Designated	<u>Restricted</u>	<u>Total</u>
	<u>Funds</u>	Funds	<u>Funds</u>	<u>Funds</u>
	£	£	£	£
Tangible assets	2,908	-	-	2,908
Investments	754,107	-	-	754,107
Current assets	167,949	-	3,100	171,049
Current liabilities	<u>(50,593)</u>	<u>-</u>	<u>-</u>	<u>(50,593)</u>
	<u>874,371</u>	<u>-</u>	<u>3,100</u>	<u>877,471</u>

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**Notes to the Financial Statements (cont.)**  
**for the year ended 31 August 2020**

13. FUNDS	Balance at 01.09.19	Incoming Resources	Outgoing Resources	Gain/(loss) on Invements	Funds Transfer	Balance at 31.08.20
	£	£	£	£	£	£
<b>Restricted Funds</b>						
Capital Reserve	3,100	-	-	-	(3,100)	-
Caramba Fund	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
	<u>3,100</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>(3,100)</u>	<u>2,500</u>
<b>Unrestricted Funds</b>						
Designated Funds	-	-	-	-	60,000	60,000
General Funds	<u>874,371</u>	<u>364,951</u>	<u>(387,120)</u>	<u>(1,591)</u>	<u>(56,900)</u>	<u>793,711</u>
	<u>874,371</u>	<u>364,951</u>	<u>(387,120)</u>	<u>(1,591)</u>	<u>3,100</u>	<u>853,711</u>
<b>Total Funds</b>	<u>877,471</u>	<u>367,451</u>	<u>(387,120)</u>	<u>(1,591)</u>	<u>-</u>	<u>856,211</u>
<b>2019 Comparatives</b>						
	Balance at 01.09.18	Incoming Resources	Outgoing Resources	Gain/(loss) on Invements	Funds Transfer	Balance at 31.08.19
	£	£	£	£	£	£
<b>Restricted Funds</b>						
Capital Reserve	<u>3,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,100</u>
<b>Unrestricted Funds</b>						
General Funds	<u>826,937</u>	<u>361,927</u>	<u>(318,542)</u>	<u>4,049</u>	<u>-</u>	<u>874,371</u>
<b>Total Funds</b>	<u>830,037</u>	<u>361,927</u>	<u>(318,542)</u>	<u>4,049</u>	<u>-</u>	<u>877,471</u>

**Purpose of Restricted Funds**

**Capital Reserve:** purpose is no longer required therefore fund transferred to general funds in the year.

**Caramba Fund:** donation received to be distributed for future prize awards at Society events.

**Purpose of Designated Funds**

**Breed Development Testing Reserve:** the Directors have allocated reserves specifically to support Breed Development projects to enhance stock knowledge and invest in maintaining the purity of the breed.

A kind donation from Major Gibb, known as the Glenisla Fund was amalgamated into the General Fund in 2017 when the Glenisla Fund investment portfolio was valued at £79,990.

14. **RELATED PARTY TRANSACTIONS**

The company has received income totalling £22,875 (2019 - £24,909) from trustees during the year.

15. **VOLUNTEERS**

The society is fortunate to have a board of Directors who support its activities on a voluntary basis.