



Minute of the Annual General Meeting of The Beef Shorthorn Cattle Society held by Zoom Video conference on Sunday 14th March 2021 at 12 noon

Present: Cathryn Williamson (President), Charles Horton (Vice-President), and 39 Members.

Also in attendance: Adrian Bell of Morton Fraser solicitors, Morna Bell (Society Accountant), Ellie Doak (Breed Co-ordinator) and Clive Brown (Operations Manager/Breed Secretary from April 2021).

Note: Voting in relation to both the Ordinary and Special resolutions had been conducted by postal/email vote in accordance with paragraph 3(4) of Schedule 14 of CIGA. Members had been invited in writing to submit questions in writing to Society officials and responses had been sent and also included within the reports presented by the President and Society Accountant.

The President welcomed everyone to the eighty-fifth Annual General Meeting (AGM) of The Beef Shorthorn Cattle Society.

A minute's silence was held in memory of Members who had sadly passed away noting Donald Biggar (Director and Chapelton Herd), Jack Ramsay (Millerston Herd) and Liz Pole-Warren (Former Secretary of the South West club); their enthusiasm and support for the Breed would be sorely missed and condolences were offered to families and friends.

The President introduced Adrian Bell, Society Solicitor who outlined that due to Government Coronavirus restrictions, the meeting would be run virtually in accordance with Schedule 14 to the Corporate Insolvency and Governance Act 2020 (CIGA). The meeting was being held under the emergency legislation permitting virtual meetings and the placing of proxy votes, as the Society's current Articles of Association did not include provision for this.

The notice for the AGM due to be held on 14th February 21 had been served on time but some Members did not receive the mailing with sufficient notice due to difficulties with the royal mail postal system. The notice was re-served for the new date of 14th March 2021 which met the valid 21-day notification period required. The meeting would be recorded by the Society for the purpose of minute taking.

1. Apologies for absence

Apologies had been received from David & Anne Robertson (Easterhouse herd), Robert Hawking (Ella herd), Luke Anthony (Blackthorn herd), James Cameron (Trainview herd) and Elizabeth Lang (Rosewells herd).

Ordinary Resolutions

2. To approve the minute of the eighty fourth Annual General Meeting held on Sunday, 2nd February 2020

The minute had been issued to Members. At a Members request the following amendment had been noted.

"Caroline Ivanson reminded the meeting that even though no other nominations were received the President and Vice President should still be elected and that this item had been omitted from the agenda". The Minute had been duly amended and was available on the Society website for all to view.

Adrian Bell announced the result of the proxy vote for Ordinary Resolution no. 2 to approve the minute of the eighty fourth AGM held on Sunday, 2nd February 2020. 32 votes were cast in favour; 3 votes against (91% in favour) and accordingly the resolution was passed.

Cathryn Williamson (CW) outlined matters arising from the minute:



A query had been raised in relation to the arrangements for the Society's receipt of income from Morrisons PLC. The Board had sought legal advice on the rules of taxation, trading income and classification and were advised that the current arrangements were in order.

The second point was in relation to the programme for first calving heifers to be genotyped and myostatin tested at the point of registration of the first calf. This programme had now successfully been in place for a year and was to be continued for the next two years subject to funding being available.

3. To receive the Directors' Report and approve the accounts for the year ending 31st August 2020.

Note: Copies of the documents referred to in Resolution 3 had been sent with the AGM notice to all members and were also available to view on the Society's website.

CW presented the Directors' report:

Outlining how the Charolais Society had reacted swiftly to COVID restrictions putting necessary actions in place to keep staff safe and allowing the team to continue to provide a Registration service in difficult circumstances without any significant disruption to Members. CW thanked Peter Phythian, Rusmi Parekh and all the team at Stoneleigh for their continued service.

It had been a difficult year with the departure of Breed Secretary Joanna Bailey in August 2020. However, the Society was delighted that Clive Brown would join as Operations Manager/Breed Secretary in April 2021. There was confidence that Clive would build on continual improvements that had been made in developing the Society as a modern functioning organisation to support the future of the breed and membership.

The Board and Members had requested mention to be made of the hard work of Ellie Doak (ED), part time Breed Co-ordinator. She had held the fort in the intervening period helping Members with a vast array of matters in a cheerful and timely manner. ED had worked on a self-employed basis, but in November the Society employed Ellie on a permanent part time role.

The Board was also very grateful for the assistance of Morna Bell, throughout the year for managing the Society's financial matters but also ensuring the continuous improvement of governance procedures with particular regard to updating the Society's Articles of Association. This had been a complex process with the need to take account of changes in both Company and Charity Law since they were last written in 1951.

The expert advice and support from Solicitor Adrian Bell (AB) of Morton Fraser was also noted, thanking Adrian for guiding the Board through matters of legal and best practice in formulating the final draft which was presented to Members for consultation in November 2020.

CW advised on the composition of the Board of Directors and that during the course of the year John Wilson had been co-opted onto the Board for the North of England and Caroline Ivinson had resigned. Most recently Ian Rickatson, Director for the South of England had resigned. CW thanked all for their valued contribution to the Society.

Despite the difficulties and disruptions caused by COVID, interest in the breed continued to grow with 138 new members up 10% on the previous year with membership more than doubling in the last decade to an active membership of 1056. Registrations had also increased to 4239 in 2020 which represented a 60% growth since 2010. These trends were mirrored in the 2020 BCMS calf registrations which showed over the last 10 years, UK Beef Shorthorn and Beef Shorthorn cross populations within the beef sector had increased by 222%, the fastest rate of any breed and 60% greater than the next highest. This



confirmed that the number of Beef Shorthorn sired cattle continued to grow faster than any other breed, both native and commercial, showing that Beef Shorthorn were meeting the sectors requirement for a modern functional suckler cow with good maternal traits.

Morrisons Shorthorn Beef Scheme continued to fuel demand from finishers. The Morrisons supported Longtown spring store sale had an entry of 96 Beef Shorthorn and Beef Shorthorn crosses. A questionnaire about the scheme had been circulated to Members and this received a good response. Interest in the scheme continued to grow and kill figures had also risen (294 kills w/e 5th February 2021).

Four record figures for the breed had been recorded over the last year at Society sales held at Stirling; 15,000gns for a female in October 2020 with the female average of £3,543. A bull sold for 27,000gns at the February sale with the male average of £6,127. Beef Shorthorn were the only breed that sold more animals compared to 2020 in the two week multibreed sale.

The Society's activities had adapted to the Covid-19 restrictions with the introduction of a web-based Marketplace providing online opportunities to buy and sell Beef Shorthorn cattle both pedigree and commercial, along with semen. CW outlined the launch of a series of webinars to inform and inspire Members and stakeholders including performance recording and herd health. Over 70 members had attended the first online session with many more viewing the session afterwards on the Society website. CW advised on the continued positive service in linear classification visits, and of the series of Focus Farms that had been developed.

CW concluded despite the overall success of adapting to the latest technology and new ways of operating the Society looked forward to the lifting of Covid-19 restrictions giving Members the opportunity to meet in person again. Next year would be the 200th anniversary of the Coates herd book so the new Board would have an exciting year planning for the celebrations.

CW stated that it had been an honour and pleasure to work with a Board of hard working and committed Directors; there had been some challenging times and she thanked Charles Horton (CH) and her fellow Directors for their support over the last two years.

Morna Bell (MB) then presented the society Accounts for the financial year to 31st August 2020. MB outlined over the last two years she had undertaken work on behalf of the Society to provide accounting services and worked with the Board on budgeting and financial management matters.

The Accounts had been independently examined by MMG Archbold, Dundee and had been distributed to all Members to give them the opportunity to review the financial performance of the Charity. Questions and comments had been invited in advance of the AGM and responses had been provided directly to those Members but also incorporated into the report being given. The majority had related to aspects of outturn spend where costs had been higher than the previous year.

The income for the year was £367k a slight increase on that of the previous financial year where receivable income was £362k. Points of note were income from subscriptions of £27,972 higher than the previous year and that registration fee income was £150k consistent with the previous year.

Income from sales commission was lower reflecting the impact of COVID with various shows and sales cancelled from April to August 2020. Sales commission of £3k had been received in January 2021 relating back to the Skipton Society sale held in November 2019. The late income was a post balance sheet event and not at the level of materiality that would require an adjustment to the accounts.



Doug Dear project - accounts showed income that had been carried forward from previous years on the balance sheet and was a reconciliation against past expenditure; overall, the project made a small loss of £806 and the outcomes of what had been learned by the project would be reported by Directors in due course.

Expenditure showed outgoings of £387k compared to £319 k for the previous year. Increased costs were noted for professional fees, staff costs, office accommodation related costs, accountancy and admin as well as the investment made in testing first calf heifers.

Professional fees (legal fees £ 9,350 and Human Resource management fees of £ 7,353) included legal work undertaken reviewing the Articles of Association and advice regarding complaint matters and employment matters. All relevant disclosures on staff costs had been made in the accounts in full compliance with Accounting Regulations.

Admin and accountancy costs (increase of £12k on the previous year) mostly related to services provided by ED and MB covering staff absence. Both were self-employed, costs therefore shown separately from 'staff costs'. ED had now been formally employed by the Society in the role of Breed Coordinator.

Rent of office and office costs. Office accommodation at Lamport was established in August 2019 and the accounts showed a full year of office rental at £9,375 as well as costs for office telephone, broadband and electricity costs. Office moved to Stoneleigh in February 2021 at lesser amount for rental.

Postage costs reflected more communication and mailings to Members by post. The Society was looking to, communicate by email or on the website as costs had become quite substantial, however this required some changes being made to the Articles which currently referred to certain postal requirements.

Investment in DNA testing of first calving heifers in the year was very positive reflecting the Board's strategy to understand and collect more information about the breed and stock.; if budget permitted the scheme would run for a further two years to complete the proposed three-year study period.

The overall outturn for the year was a deficit of £21,260.

Investment's income had been a healthy return of £19k of dividend income from the portfolio which at Aug 2020 was valued at £760k. The investments were managed by Smith & Williamson and delegated Directors met annually with the agents to review the portfolio.

Funds of the Society were Designated for their intended purpose be it as 'Designated' or 'General' as outlined on page 17. MB highlighted the kind donation of various shares received from Major Gibb in 1987 which was formerly named in the accounts as the 'Glenisla Fund'. In 2017 the fund was valued at £80k however, some of the shares had since been sold and reinvested and amalgamated into the wider portfolio. MB noted the accounts made mention of the kind donation which continued to be held in support of the running of the Society.

MB concluded that the Society remained in a healthy financial position, with Unrestricted Reserves equal to greater than two years of normal expenditure which met the stated Policy on Reserves. The Board continued to regularly review the risks to the Society and that included budgeting, review of costs, monitoring income and fee levels, as well as Financial management and assessing the risks associated with the different income streams.



AB outlined the results of the proxy vote for the Ordinary Resolution no. 3 -to receive the Directors' Report and approve the accounts for the year ending 31st August 2020. 31 votes were cast in favour; 4 votes were cast against (88.5% in favour) and accordingly the resolution was passed.

4. To approve the reappointment of MMG Archbold as the Independent Examiners for the Annual Accounts to 31st August 2021.

The proxy vote for the Ordinary Resolution no. 4 to approve the reappointment of MMG Archbold as the Independent Examiners for the Annual Accounts to 31st August 2021 was announced. 35 votes were cast in favour; 0 votes were cast against (100% in favour) and accordingly the resolution had been passed with MMG being reappointed unanimously.

5. Appointment of President and Vice President positions

It was outlined that the Board had nominated Charles Horton (CH) and Tim Riley (TR) as their proposed candidates for the roles and that no other candidates had been put forward. AB reported on the proxy votes for Ordinary Resolution no 5.1 that Charles Horton be nominated as President. 33 votes were cast in favour; 1 vote was cast against (97% in favour) and accordingly the resolution had been passed and CH was appointed as President. AB then reported the proxy votes for ordinary resolution 5.2 that TR be nominated as Vice President. 31 votes were cast in favour; 2 votes were cast against (94% in favour) and accordingly the resolution had been passed and TR was appointed as Vice-President.

CH thanked Members for voting and stated it was an honour to take up the appointment. He thanked CW for her dedication and commitment she had given to the role and noted that Cathryn had led the Society through a difficult period where there was limited contact with Members and no social events due to Covid restrictions. It had been an honour to support Cathryn in all that she had achieved. He echoed his thanks to MB and ED for 'doing a brilliant job keeping the show on the road'.

Clive Brown (CB) was welcomed as new Operations Manager starting on 12th April, with Clive responding that he was looking forward to what he believed was an exciting future for the breed. The new office contact details were displayed on the website and a newsletter would be issued outlining contact information for Members.

CH reflected how despite different approaches to husbandry and reasons for keeping Beef Shorthorn all present benefitted from owning the cattle and 200 years of genetics and all could look forward to the bi-centenary celebrations of the Coates Herd Book.

Investment of Myostatin testing - whilst it would be ideal to test all females, the cost to the Society would be prohibitive and data was building with the first calf testing giving an indication of the distribution of myostatin deletions in females. CH confirmed that following Member feedback the Board would look at adapting the system to recognise that some Members were testing their own females privately but that any adaption to the system would need to be scoped to fit within administration constraints.

Covid restrictions at Weatherbys had led to a marked increase in testing times as less staff were able to work within the confines of the Laboratory. It was important to ensure clean samples were submitted as contamination was the main reason for rejection, which led to a delay of the registration.

It was confirmed that there was an intention to restart a Youth development programme.



Alfie Shaw and Richard Henning were working with the NBA, DEARA and the NFU to consider the current animal movement trade issues impacting on farmers and all breed associations. CH thanked both for their hard work on the very complex situation that had developed.

CH stated that the breed continued to be adaptable to any production system and would be well placed to take advantage of ELMS and other environmental schemes as they developed. The results of the Doug Deer project would be published on the website. He also noted that a Member portal was being developed for the ILR database.

COVID restrictions requiring a virtual meeting format could not accommodate the usual question and answer forum at the end of the AGM. CB would travel around the UK when restrictions were lifted, meetings with Directors and Members in the different areas allowing views to be exchanged.

Special Resolution

6. Approval of the Articles of Association

A special resolution that the Articles of Association in the form made available to Members and produced to the meeting be hereby adopted as the new Articles of Association of the Company to the exclusion of, and in substitution for, the existing Articles.

Note: A copy of the proposed new Articles of Association had been available to view on the Society's website; and (b) was provided by email or post to any Member who requested a copy.

AB outlined the proxy votes for the Special Resolution: 25 votes were cast in favour; 11 votes were cast against (69% in favour). The Special Resolution required 75% in favour vote and hence had been lost. The new Articles were **not** to be adopted.

It was a disappointing result as a lot of hard work had been carried out and AB felt that the Articles were right and proper for the Society. AB explained how the Society Articles had not been updated for some years and significant changes had been made in Company law, and with the introduction of the Companies Act 2006 and Scottish Charities Act 2005. OSCR, the Scottish Charity Regulator had carried out reviews charities in the sector and highlighted the need for updates to be made. The sector had been under scrutiny and OSCR had published guidance on the constitutions and so appropriate steps should be taken to bring the Articles in line with requirements.

Questions posed by Members were addressed. 1. Whether an appropriate consultation process had been conducted with enough time allowed to accommodate Members comments. AB stated officials of the Society had conducted a full and thorough process, had a reasonable response to that process, and the full Board had met to consider changes in the light of those responses. His view was a fair and appropriate process had been followed and the consultation period was in line with similar organisations.

2. Appropriateness of a quorum of five for a general meeting and a Board meeting, with a suggestion this should be higher. AB commented that a quorum should be relatively low, as in circumstances where proper notice of a meeting was given, it allowed Members with an interest to attend or make their views known. In reflection of the attendance of the meeting, and the number of votes placed in a Society with 900+ Members eligible to vote there was a large number who had not participated in either.

3. Role of Sub Committees of the Board in decision making. The Articles contained the authority for the Board to delegate to Committees. This was part of the existing Articles and would have continued in the proposed Articles with no change. It was noted that Committees must act within the confines of the



authority granted to them, and if a decision was made outside this delegated remit it was a matter for the Board.

AB concluded the Resolution had been lost and there was a need to consult with those who voted against the adoption to find what they found objectionable, and a wider communication to engage enthusiasm with the rest of the Society Membership for the process of making this important constitutional change. The fact that the AGM was being held under emergency government legislation, as the Articles did not have permit a virtual meeting highlighted the need for change to make them fit for purpose in today's business world.

CW thanked AB for his clear explanations.

7. Announcement of results of elections for Directors

The results of the elections for posts of Directors were independently received, counted and reported by MMG who had then passed these on to AB who announced the name of the elected individuals as follows:

Northern Ireland and Eire	Richard Henning was elected unopposed
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South of England	Tina Russell
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North of England	Alistair Gibson
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Note: There was one vacancy for the North. A further casual vacancy, which has arisen during the year, would be filled by co-option at the May 2021 Board meeting.

Scotland	Pamela Nicol John Scott
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CH thanked AB and MMG for facilitating the election process. He offered congratulations to those Members that had been elected and looked forward to working with them in the future. He thanked everyone that had joined the Zoom video conference for their time and interest.

Business for the eighty-fifth Annual General Meeting (AGM) of the Beef Shorthorn Cattle Society was concluded.

Meeting ended 12:50pm