

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

Report of the Directors and
Unaudited Financial Statements
for the year to 31 August 2021
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 2021.

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) For the benefit of the public, to advance education, heritage and science and animal welfare by educating the public generally, and breeders and farmers in particular, with regard to breeding, feeding and welfare of Beef Shorthorn cattle.
- (3) To promote scientific research into the breeding, feeding and welfare of Beef Shorthorn cattle and to use the results thereof to encourage and support best practice;
- (4) To promote excellence in Beef Shorthorn cattle and advancing education and/or scientific research into the breed through exhibitions and other shows and by awarding prizes, awards and/or bursaries in connection therewith;
- (5) To promote and safeguarding the integrity and continuation of the Beef Shorthorn cattle breed, reflecting its heritage and its current form and to promote research into, and best practice of, the Beef Shorthorn breed's role in environmentally sustainable and ecologically sound farming systems and furthermore in developing and promoting their part in contributing to the nutritional needs of the population.
- (6) 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.
- (7) 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.
- (8) 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.
- (9) 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.
- (10) 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.
- (11) 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.
- (12) 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.
- (13) 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.
- (14) To invest and deal with any monies not for the time being required for the purposes of the Association including such investments 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 be prescribed by law.
- (15) To do all such other lawful things as are incidental or conducive to the attainment of the above objects.

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Report of the Directors (cont.)

ACHIEVEMENTS AND PERFORMANCE

Review of the year

The uncertainty for agriculture due to Brexit and the COVID 19 pandemic has continued into 2021. Key issues for the Society have been the implementation of the Northern Ireland Protocol and its impact on the free movement and herd book recognition of pedigree beef animals and the phased reintroduction of agricultural shows and events albeit operating under restricted conditions. As part of Breed Development, the Society has considered the opportunities presented by genomic tests. This has included having a clear policy on Myostatin mutations and encouraging breeders to validate the identity and pedigree of their animals using genomic testing.

Herd health: The CHECS system underpins the health schemes used by members. Recent proposals by CHECS for a revised JOHNES testing regime potentially impact negatively on herds in high TB prevalence areas. Discussions remain ongoing and in collaboration with other breed Societies. Members have also communicated concerns as they test for Neospora. Initial feedback is that the parasite may be more prevalent than realised and therefore pose a risk to breeding cattle. This has opened the discussion on whether Neospora testing, and risk schemes should be encouraged.

This year has also seen significant developments in modernising the governance and operations within the Society. Legislative changes and the need to improve employment and disciplinary procedures has led to formal human resources and governance procedures being adopted. Legislative changes have also set the case for modernising and updating the Articles of Association. Our good working relationship with the Morrisons team continues, seeing growth in the annual kill. They have the desire to double this kill and are seeking an increased use of live bulls and semen within the dairy sector. Within their stores they are launching new products and thus utilising more of the carcass that they continue to pay the 30p/kg premium for.

Membership – Interest in the breed continues to gain momentum with 118 new members joining the Society during the year. Total membership now stands at 1047.

Staff: A new Breed Secretary/Operations Manager was appointed in April 2021 and the Society contracted for new HR expertise on “a call off contract” to ensure greater transparency, improved value for money and a step improvement in HR policies and procedures. 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.

Income from subscriptions, registrations and transfers are positively consistent with previous year’s levels with a small but steady growth in membership numbers the Society is continuing to operate under a sustainable financial position. Sales commission for the year was £33,504 consistent with previous performance.

The Board are exploring the options for an online sales platform and the expansion of merchandise which will allow Members to enjoy the goods, support promotion of the Society but also has the potential to generate income for the Society.

FINANCIAL REVIEW

With regard to movement of funds, the overall surplus of income over expenditure was £223,373 mainly as a result of unrealised gains on investments of £167,552, with unrestricted funds at the end of the financial year of £1,077,084, including £76,691 designated for the Breed Development Testing Reserve, and restricted funds of £2,500.

The net income of £55,821 for the year is welcoming, but operationally, less expenditure was incurred than in a normal year due to the COVID situation and many shows being cancelled, as well as noting that some budgets were not fully utilised during the year with spend likely to be incurred in 2021/22.

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.

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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 Board has requested the Fund Managers to focus on ethical, sustainable, and good governance investments with a particular focus on not investing in industries or technology that conflict with the Society's objectives (for example, "laboratory grown meat substitutes").

The investments held generated income of £18,220 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 now 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 and meet their fiduciary responsibilities to the Society.

Risk review

Directors have conducted their 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.

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Company Information

DIRECTORS:	Charles S Horton 'President' Timothy Riley 'Vice President' Geoffrey L Riby The Hon. Gerald Turton Major John P O Gibb Sally A Horrell Cathryn M Williamson Shona M Calder Martin H R Reynolds Richard Henning Timothy P Coles Alfie Shaw Tina Russell (appointed 14 March 2021) Alastair Gibson (appointed 14 March 2021) John Scott (appointed 14 March 2021) Pamela Nicol (appointed 14 March 2021) Donald J Biggar OBE (resigned 30 January 2021) Ian J Rickatson (resigned 25 February 2021) Carey D Coombs (resigned 14 March 2021) Charles A Horrell (resigned 14 March 2021) David Dickie (resigned 14 March 2021) John H Wilson (resigned 14 March 2021)
COMPANY SECRETARY:	Cathryn M Williamson
REGISTERED OFFICE:	Chapelshade House 78 – 84 Bell Street Dundee DD1 1RQ
REGISTERED NUMBER:	SC019414
REGISTERED CHARITY:	SC010218
INDEPENDENT EXAMINER:	Derek Grant CA MMG Archbold Ltd 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 – Company Secretary
17 November 2021

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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 2021 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

17 November 2021

The Beef Shorthorn Cattle Society
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Statement of Financial Activities
(Incorporating Income and Expenditure Account)
for the year ended 31 August 2021

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>Year to</u> <u>31.08.21</u> £	<u>Total</u> <u>Year to</u> <u>31.08.20</u> £
Income and endowments from:					
Donations and legacies	1	31,042	-	31,042	41,084
Charitable activities	2	339,229	-	339,229	306,841
Investment	3	<u>18,220</u>	-	<u>18,220</u>	<u>19,526</u>
Total income		<u>388,491</u>	-	<u>388,491</u>	<u>367,451</u>
Resources expended					
Raising funds	4	4,951	-	4,951	4,436
Charitable activities	5	<u>327,719</u>	-	<u>327,719</u>	<u>382,684</u>
Total expenditure		<u>332,670</u>	-	<u>332,670</u>	<u>387,120</u>
Net income/(expenditure) before gains and losses on investments		55,821	-	55,821	(19,669)
Net gains/(losses) on investments	8	<u>167,552</u>	-	<u>167,552</u>	<u>(1,591)</u>
Net income/(expenditure) before transfers		223,373	-	223,373	(21,260)
Transfers between funds		-	-	-	-
Net income/(expenditure)		223,373	-	223,373	(21,260)
Total funds at 1 September 2020		<u>853,711</u>	<u>2,500</u>	<u>856,211</u>	<u>877,471</u>
Total funds at 31 August 2021	13	<u>1,077,084</u>	<u>2,500</u>	<u>1,079,584</u>	<u>856,211</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

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Balance Sheet as at 31 August 2021

		<u>2021</u>			<u>2020</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>
		£	£	£	£
Fixed Assets:					
Tangible assets	7	1,474	-	1,474	2,472
Investments	8	<u>954,262</u>	-	<u>954,262</u>	<u>759,919</u>
		<u>955,736</u>	-	<u>955,736</u>	<u>762,391</u>
Current Assets:					
Stock	9	1,209	-	1,209	1,462
Debtors		46,151	-	46,151	57,031
Cash at bank and in hand		<u>146,407</u>	<u>2,500</u>	<u>148,907</u>	<u>106,743</u>
		<u>193,767</u>	<u>2,500</u>	<u>196,267</u>	<u>165,236</u>
Creditors					
Amounts falling due within one year	10	<u>(72,419)</u>	-	<u>(72,419)</u>	<u>(71,416)</u>
Net Current Assets		121,348	2,500	123,848	93,820
Total funds		<u>1,077,084</u>	<u>2,500</u>	<u>1,079,584</u>	<u>856,211</u>
CAPITAL AND RESERVES					
Restricted funds:					
Caramba fund	13			2,500	2,500
Unrestricted funds:					
General funds	13			1,000,393	793,711
Designated funds				<u>76,691</u>	<u>60,000</u>
Total funds				<u>1,079,584</u>	<u>856,211</u>

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 August 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2021 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 2021

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 17 November 2021 and signed on its behalf by



Charles Horton – DIRECTOR

The notes form part of these financial statements

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Notes to the Financial Statements
for the year ended 31 August 2021

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) effective 1 January 2019, 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.

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 2021

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
Fixtures & fittings	-	4 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.

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Notes to the Financial Statements (cont.)
for the year ended 31 August 2021

1. DONATIONS & LEGACIES

	<u>2021</u>		<u>Total</u> <u>Funds</u>	<u>2020</u>
	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>		<u>Total</u> <u>Funds</u>
	£	£	£	£
Subscriptions	30,314	-	30,314	27,972
Grants	-	-	-	10,000
Donations	<u>728</u>	<u>-</u>	<u>728</u>	<u>3,112</u>
	<u>31,042</u>	<u>-</u>	<u>31,042</u>	<u>41,084</u>

Total donations and legacies in the prior year were £41,084 all of which was unrestricted.

2. CHARITABLE ACTIVITIES

Commission on levy on sales	33,504	-	33,504	13,960
Title registration fees	163,635	-	163,635	150,162
Transfer certificates	26,275	-	26,275	20,025
Herd prefixes	3,060	-	3,060	3,120
Advertising	12,652	-	12,652	10,853
DNA Tests	39,906	-	39,906	35,576
Licence and breed development	60,000	-	60,000	60,000
Doug Dear project	-	-	-	10,527
Merchandise income	<u>197</u>	<u>-</u>	<u>197</u>	<u>2,618</u>
	<u>339,229</u>	<u>-</u>	<u>339,229</u>	<u>306,841</u>

Charitable activities in the prior year were £306,841, all of which was unrestricted.

3. INVESTMENT INCOME

Dividend income	18,220	-	18,220	19,521
Bank interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
	<u>18,220</u>	<u>-</u>	<u>18,220</u>	<u>19,526</u>

Investment income in the prior year was £19,526, all of which was unrestricted.

4. RAISING FUNDS

Investment manager's fees	<u>4,951</u>	<u>-</u>	<u>4,951</u>	<u>4,436</u>
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Raising funds in the prior year was £4,436, all of which was unrestricted.

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Notes to the Financial Statements (cont.)
for the year ended 31 August 2021

5. CHARITABLE ACTIVITIES	<u>2021</u>		<u>Total</u> Funds £	<u>2020</u> Total Funds £
	<u>Unrestricted</u>	<u>Restricted</u>		
	Funds £	Funds £		
Agent service fee	31,057	-	31,057	33,400
Agent admin fee	-	-	-	5,602
Payroll expenses	61,438	-	61,438	73,959
Postages and telephone	11,207	-	11,207	10,367
Printing and stationery	5,174	-	5,174	10,052
Database costs	3,728	-	3,728	6,996
Website costs	5,288	-	5,288	5,236
Computer maintenance	2,050	-	2,050	1,360
Recruitment costs	18,076	-	18,076	-
HR employment policy and complaint handling	7,410	-	7,410	7,353
Legal costs	6,950	-	6,950	9,350
Advertising	18,776	-	18,776	13,347
Publicity services	12,932	-	12,932	17,882
Journal	23,777	-	23,777	24,547
Shows and events	5,278	-	5,278	10,208
Directors travel and related expenses	-	-	-	5,084
Meeting expenses and Directors training	2,703	-	2,703	6,390
Staff expenses	446	-	446	2,986
Annual Dinner deficit	-	-	-	489
Insurance	3,383	-	3,383	3,145
Bank charges	1,041	-	1,041	845
Miscellaneous	1,407	-	1,407	1,584
DNA testing	55,979	-	55,979	61,557
Classifications	8,398	-	8,398	14,227
Admin and accountancy services	25,484	-	25,484	36,234
Depreciation	1,191	-	1,191	1,153
Rent of office	6,438	-	6,438	9,375
Other office expenses	2,668	-	2,668	2,632
Shorthorn World Conference	-	-	-	1,060
Bad debts	670	-	670	-
MMG Accountancy and secretarial	2,370	-	2,370	3,924
Independent examiners fee	<u>2,400</u>	<u>-</u>	<u>2,400</u>	<u>2,340</u>
	<u>327,719</u>	<u>-</u>	<u>327,719</u>	<u>382,684</u>

Resources expended in the prior year was £382,684, all of which was unrestricted.

No Directors' remuneration was paid for the year ended 31 August 2021 nor for the year ended 31 August 2020. Travel expenses totalling £Nil were paid to Directors for the year ended 31 August 2021 (2020 - £5,084).

Included within payroll expenses is termination payments amounting to £Nil (2020 - £10,000).

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

	<u>2021</u>	<u>2020</u>
Directors	17	18
Employees	<u>2</u>	<u>1</u>
Total	<u>19</u>	<u>19</u>

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Notes to the Financial Statements (cont.)
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6. **TAXATION**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 August 2021 nor for the year ended 31 August 2020.

7. **TANGIBLE FIXED ASSETS**

	<u>Cups & Trophies</u>	<u>Fixtures & Fittings</u>	<u>Computer Equipment</u>	<u>Total</u>
	£	£	£	£
COST				
As at 1 September 2020	2,532	2,000	3,264	7,796
Additions	-	-	193	193
Disposals	-	-	-	-
As at 31 August 2021	<u>2,532</u>	<u>2,000</u>	<u>3,457</u>	<u>7,989</u>
DEPRECIATION				
As at 1 September 2020	2,532	1,000	1,792	5,324
Charge for year	-	500	691	1,191
On disposal	-	-	-	-
As at 31 August 2021	<u>2,532</u>	<u>1,500</u>	<u>2,483</u>	<u>6,515</u>
NET BOOK VALUE				
As at 31 August 2021	<u>-</u>	<u>500</u>	<u>974</u>	<u>1,474</u>
As at 31 August 2020	<u>-</u>	<u>1,000</u>	<u>1,472</u>	<u>2,472</u>

Tangible fixed assets in the prior year were £2,472, all of which was unrestricted.

8. **INVESTMENTS**

	£
Cost at 1 September 2020	545,476
Unrealised appreciation	<u>214,443</u>
Market value at 1 September 2020	759,919
Additions at cost	125,908
Disposals at cost	(34,801)
Decrease in unrealised appreciation	<u>103,236</u>
Market value at 31 August 2021	<u>954,262</u>

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

	<u>2021</u>		<u>Total</u> <u>Funds</u> £	<u>2020</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	64,316	-	64,316	(257)
(Decrease) / Increase in unrealised appreciation	<u>103,236</u>	<u>-</u>	<u>103,236</u>	<u>(1,334)</u>
	<u>167,552</u>	<u>-</u>	<u>167,552</u>	<u>(1,591)</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>2021</u> £
Scottish Mortgage and Investment Trust	<u>50,653</u>

Investments in the prior year were £759,919, all of which was unrestricted.

9. **CURRENT ASSETS**

Debtors	<u>2021</u> £	<u>2020</u> £
Trade debtors	32,896	48,293
Other debtors	<u>13,255</u>	<u>8,738</u>
	<u>46,151</u>	<u>57,031</u>

Debtors in the prior year were £57,031, all of which was unrestricted.

Stock

Stock in the prior year was £1,462, all of which was unrestricted.

Cash at bank

Cash at bank and in hand in the prior year was £106,743 of which £104,243 was unrestricted and £2,500 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>2021</u>	<u>2020</u>
	£	£
Accrued expenses	46,715	38,758
VAT	15,640	13,121
Income in advance - other	<u>10,064</u>	<u>19,537</u>
	<u>72,419</u>	<u>71,416</u>

Current liabilities in the prior year were £71,416, all of which was unrestricted.

11. **OPERATING LEASES**

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

	<u>2021</u>	<u>2020</u>
Not later than 1 year	1,971	-
Later than 1 year and not later than 5 years	<u>-</u>	<u>1,971</u>
	<u>1,971</u>	<u>1,971</u>

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

	<u>Unrestricted</u> <u>Funds</u> £	Designated Funds £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>Funds</u> £
Tangible assets	1,474	-	-	1,474
Investments	954,262	-	-	954,262
Current assets	117,076	76,691	2,500	196,267
Current liabilities	<u>(72,419)</u>	<u>-</u>	<u>-</u>	<u>(72,419)</u>
	<u>1,000,393</u>	<u>76,691</u>	<u>2,500</u>	<u>1,079,584</u>

2020 comparatives

	<u>Unrestricted</u> <u>Funds</u> £	Designated Funds £	<u>Restricted</u> <u>Funds</u> £	<u>Total</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>

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13. FUNDS	Balance at 01.09.20	Incoming Resources	Outgoing Resources	Unrealised Gain/(loss) on Investments	Funds Transfer	Balance at 31.08.21
	£	£	£	£	£	£
Restricted Funds						
Caramba Fund	<u>2,500</u>	-	-	-	-	<u>2,500</u>
	<u>2,500</u>	-	-	-	-	<u>2,500</u>
Unrestricted Funds						
Designated Funds						
Breed Development Reserve	60,000	-	-	-	(13,309)	46,691
Bi Centenary and Strategic Development Fund	-	-	-	-	30,000	30,000
General Funds	<u>793,711</u>	<u>388,491</u>	<u>(332,670)</u>	<u>167,552</u>	<u>(16,691)</u>	<u>1,000,393</u>
	<u>853,711</u>	<u>388,491</u>	<u>(332,670)</u>	<u>167,552</u>	-	<u>1,077,084</u>
Total Funds	<u>856,211</u>	<u>388,491</u>	<u>(332,670)</u>	<u>167,552</u>	<u>-</u>	<u>1,079,584</u>
2020 comparatives	Balance at 01.09.19	Incoming Resources	Outgoing Resources	Gain/(loss) on Investments	Funds Transfer	Balance at 31.08.20
Restricted Funds	£	£	£	£	£	£
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>
Unrestricted Funds						
Designated Funds						
Breed Development Reserve	-	-	-	-	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>
Total Funds	<u>877,471</u>	<u>367,451</u>	<u>(387,120)</u>	<u>(1,591)</u>	<u>-</u>	<u>856,211</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 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.

Bi Centenary and Strategic Development Fund: the Directors have allocated reserves specifically to support the 200th celebrations of the Breed in 2022 as well as strategic investment in the promotion and longevity of the Society.

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 £16,396 (2020 - £22,875) 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.

