

THE BRITISH CHAROLAIS CATTLE SOCIETY LIMITED
(A Company Limited by Guarantee)

REPORT & FINANCIAL STATEMENTS

For the year ended 31 December 2019



**Notice of the 58th Annual General Meeting
to be held**

Thursday 18 June 2020 at 1pm

Via Zoom - Join Zoom Meeting

<https://zoom.us/j/97141076064?pwd=aHE4dHBTVG5pMIJPOEtVTTdyaVJRUT09>

Meeting ID: 971 4107 6064

Password: 067332

Alternatively Dial one of the local numbers below and follow instructions to join the meeting
using the Meeting ID and Password above

+44 131 460 1196 United Kingdom
+44 203 481 5237 United Kingdom
+44 203 481 5240 United Kingdom
+44 208 080 6591 United Kingdom
+44 208 080 6592 United Kingdom
+44 330 088 5830 United Kingdom

A clickable link can also be found on the Charolais website front page www.charolais.co.uk

It is recommended that the Zoom app is downloaded on your smartphone, tablet or the zoom plugin is downloaded and installed on your computer well in advance of the meeting. The easiest way to connect is from your smartphone or tablet using the link after you have installed the app.

The British Charolais Cattle Society

**NOTICE OF THE 58th
ANNUAL GENERAL MEETING**

of

THE BRITISH CHAROLAIS CATTLE SOCIETY LIMITED

(Limited by Guarantee)

Registered Number 731132 England

Registered Charity Number 250018

to be held on

Thursday 18 June 2020 at 1pm

Via Zoom - Join Zoom Meeting

<https://zoom.us/j/97141076064?pwd=aHE4dHBTVG5pMIJPOEtVTTdyaVJRUT09>

Meeting ID: 971 4107 6064

Password: 067332

with

**BALANCE SHEET AND ACCOUNTS
FOR THE YEAR ENDED
31ST DECEMBER 2019**

Registered office

Avenue M, Stoneleigh Park,
Kenilworth, Warwickshire
CV8 2RG

Telephone: 024 7669 7222 - Facsimile: 024 7669 0270

Email: charolais@charolais.co.uk

The British Charolais Cattle Society

REFERENCE AND ADMINISTRATIVE INFORMATION

COUNCIL OF MANAGEMENT 2019

The Members of the Council of Management for 2019 were as follows:

PRESIDENT (ex officio)
Mr Michael Atkinson (5)

Directors

CHAIRMAN
Mr B Harman (4)

VICE CHAIRMAN
Mr A P Drysdale

HONORARY TREASURER
Mr G C Robinson

Mr D Barker (1)	Southern England
Mr N Blyth (4)	Northern England
Mr J H Christie (1)	Scotland
Mr W D Connolly	Northern Ireland
Mr R C Curry	Northern England
Mr R J Kimber (3)	Southern England
Mr S McGovern (3)	Northern Ireland
Mr A P Drysdale	National
Mr R A Milne (3)	Scotland
Mrs T Nicoll (5)	Scotland
Mr R A Owen (1)	National
Mr W Owen (5)	Wales
Mr J Price (5)	Southern England
Mr W G Roberts (3)	Wales
Mr A E Sellick	Southern England
Mr W Short (5)	Northern Ireland
Mr D Thornley (1)	Northern England
Mr C J Wight	Scotland
Mr B L Williams	Wales

Notes:

- (1) Retires at AGM 18 June 2020 – eligible for re-election
- (2) Retires at AGM 18 June 2020 – **not** eligible for re-election
- (3) Retired at AGM 21 June 2019
- (4) Re-appointed at AGM 21 June 2019
- (5) Appointed at AGM 21 June 2019

SOCIETY CHIEF EXECUTIVE and COMPANY SECRETARY

Mr Peter Phythian

Registered Office:

The British Charolais Cattle Society Ltd
Avenue M
Stoneleigh Park, Kenilworth
Warwickshire CV8 2RG

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Auditors:

Harrison, Beale & Owen Ltd
Chartered Accountants and Statutory Auditor
Highdown House
11 Highdown Road
Leamington Spa CV31 1XT

Bankers:

National Westminster Bank plc
Royal Priors Branch
59 Parade
Leamington Spa CV32 4BH

Solicitors:

Lodders
Number Ten, Elm Court, Arden Street,
Stratford upon Avon CV37 6PA

Insurance Brokers:

Towergate plc Pegasus
Court Olympus Avenue
Tachbrook Park Warwick
CV34 6LW

Fund Managers:

Rathbones
George House,
50 George Square,
Glasgow G2 1EH

Registered Number 731132 England
Registered Charity Number 250018

The British Charolais Cattle Society

NOTICE IS HEREBY GIVEN

that the

58th ANNUAL GENERAL MEETING of THE BRITISH CHAROLAIS CATTLE SOCIETY LIMITED (Limited by guarantee)

**Thursday 18 June 2020 at 1pm
at the British Charolais Cattle Society
Avenue M, Stoneleigh Park, Kenilworth, Warwickshire CV8 2RG**

AGENDA

1. To read the Notice convening the 58th Annual General Meeting of the Society.
2. Apologies for absence.
3. To approve the Minutes of the 2018 57th Annual General Meeting of the Society.
4. To receive and consider, and if approved adopt the Report of the Council of Management presented by the Chairman of Council.
5. To receive and consider, and if approved, adopt the Annual Statement of Accounts and Balance Sheet for the 2019 year and the Auditor's Report thereon presented by the Honorary Treasurer.
6. Election of members to the Council of Management.
7. Election of President.
8. To appoint Auditors.
9. To transact any other business of an Annual General Meeting.

The British Charolais Cattle Society

CHAIRMAN'S REPORT

What a year! From unwarranted and mostly baseless attacks on our industry from the Vegan and green lobbies to the warmest December on record followed by the wettest February, then came the absolute delight of the February bull sale at UA. Upsetting the trend, Charolais averaged £6,633.85 for 117 bulls an increase of £571.18 on the previous year with a clearance of 79%. There was plenty to be optimistic about for the upcoming spring bull sales, and then it came Covid-19!

As I write this, we are about a month into the Covid-19 lockdown, facing the biggest social and economic upheaval since 1945. Last year's Chairman's report talked of the uncertainty and confusion in the industry caused by Brexit. While that remains, it has been completely usurped by the immediacy of a global pandemic, the effects of which will be felt for years to come.

Our society was quick to react, Rusmi (our office manager) set up the facility for staff to work from home before it became compulsory, systems were put in place to keep the office working for members for as long as the lockdown continues. We held our March council meeting online, this was successful in terms of input from the council members, in terms of safeguarding the health of staff and council members. It is likely that we will continue to work in this way for some meetings even after life returns to 'normal'.

The society holds significant funds invested on our behalf, the dividends and growth from these funds has served to subsidise the members costs for many years. In recent years council has taken the view that these should not be relied upon as a guaranteed income. Through better use of our assets, cost cutting and by finding other revenue streams Peter (the chief executive) has helped steer the society closer towards self-sufficiency. It was prescient. Nearly 30% of the value of the portfolio has gone, dividends will be seriously cut. The pain felt by members over the loss of the spring bull sales will also be reflected in the accounts for next year where we will see a significant drop in sales commission.

There is financial disruption right across the food industry, McDonalds alone takes 50,000T of beef a year. The closure of pubs, restaurants, hotels, and venues has directly led to a drop in slaughter price and a consequentially to store prices of around £120/head.

Peter has been working closely with the main auction houses to find a way to run the spring sales in new and innovative ways in order to find ways for members to be able to market their bulls at this most important time in the annual calendar. At the time of writing that work is ongoing. Sue has been editing and publishing to our social media sites videos of members' bulls and creating online catalogues. I should take this opportunity to thank all our staff. We are so fortunate to have the team we have. Peter, Rusmi, Sue, Rebecca, Fiona and Mandy have all done their utmost to look after our business before and during this pandemic. I am happy to speak on behalf of the entire council when I thank them all for the work that they do for us.

The show season has been at best severely disrupted and at worst may still be written off completely. It doesn't take me to tell you what a blow that is. Agriculture's shopfront to the general public has gone as well as the highlight in the social calendar for so many stock people whether it be your small local show or one of our fantastic National events. I fear that not all shows will be able to sustain the hit on their finances that a cancellation will bring.

The pressure to lower the carbon footprint of beef production isn't going to disappear because of our current upheaval. This can be turned to a real positive for the British Charolais. It is a fundamental truth that no breed does weight for age like a Charolais. Work done by the well respected David Mackenzie of Harbro has shown the following.

For bovines on average

It takes 90 kg of feed to put 30kg of growth at 6 months

It takes 280kg of feed to put 30kg of growth at 17 months.

The British Charolais Cattle Society

CHAIRMAN'S REPORT continued

It is worth taking a moment to absorb and understand the significance of that information. To be profitable we need to help our customers gain the maximum amount of meat output for the minimum amount of feed input. As the weight required to hit spec has been dropped by the slaughterhouses your customer the commercial beef producer needs to know that with the right management the Charolais sired beef animal is uniquely positioned to hit the required grade at the required weight at a lower age than any other breed. This is pounds in the pocket for the producer AND lowers the carbon footprint at the same time. We can please our customers, confound our critics and grow our market share at the same time. We can only achieve this through accurate recording. In 8 years, the chicken industry reduced days to slaughter by 10% while increasing carcass weight. This was achieved through accurate recording and selection. The top 5% of Sows can produce 2.8T of pig meat per sow per year, it is predicted that this will increase to 5T/sow/year by 2030. This again is achieved through accurate recording and selection. If we are to profit as a breed and as a nation in a post Brexit marketplace it has been made clear by the minds behind the new Agriculture Bill that we must become more efficient. There will always be a place for different types of cattle across the UK but be under no illusions, to be successful we will need to be more efficient. To be more efficient we will need a high level of genetic gain, that can only be achieved through accurate recording. I would implore all members to take a long term view and record all progeny and to do it accurately. If we do what we have always done, we will get what we've always got. In a changing market that will not cut the mustard.

The British Charolais Cattle Society

TREASURERS REPORT

As I sit at my desk on Sunday April the 19th on a lovely spring day approaching the end of calving and lambing while well aware that I have a lot to be grateful for, I have to say that this has been the most disturbing and worrisome time. The deadly covid-19 virus, originating in China, and effectively flown across the world in less than a day is now uppermost I am sure in all our thoughts.

Efforts of people like retired captain Tom Moore are beacons of light. I freely admit that when he was interviewed on the radio on Friday morning and his recording with Michael Ball was played for the first time that I shed a tear or two thinking of those thousands of people who have lost their lives, many without the comfort of family members at their sides.

During this crisis and indeed the 2019 year the staff deserve a special mention. I guess that I work more closely with them than most and fully appreciate their individual qualities, skills, and talents. I do not mind repeating myself, the BCCS is very fortunate in the staff that we have.

Moving on to the financial results for the year there was a degree of satisfaction with the year end result coming in considerably better than budgeted. Long term underlying trends as with the pedigree sector as a whole saw reduced registrations and membership, although it must be said that BCCS registrations fared far better than most breeds. On the whole there is a lot to be positive about in the results, albeit in a vastly changed place from pre-BSE days.

Below you will find a summary of the 2019 finances.

2019 Financials

At the end of the year BCCS funds stood at £2,936,056 (2018 - £2,585,582), up by £350,474 which was mainly due the stock market rebound with an agreement on BREXIT and more political stability.

The total income for 2019 increased in the year by 24% from £549,700 to £680,177. The major contributions to the Society income are derived from members' subscriptions, registration fees, transfer fees, auction sale commissions and investment income.

Breedplan income totalled £51,918 (2018 - £52,776) whilst PCS and ABRI support cost £54,051 (2018 - £52,413).

Investment income

- The dividend income from the investment portfolio decreased by 2% to £78,331 (2018 - £79,770).

Cattle Society Income

- Rent received from the society tenants increased to £47,471 (2018 - £38,001).
- Registration income increased to £183,019 (2018 - £164,235).
- Membership income decreased to £65,046 (2018 - £71,418).
- Gift aid refund and interest increased to £11,039 (2018 - £10,843).

Expenditure

Total expenditure for the year increased to £692,656 (2018 - £628,427).

- Staff were given a 2% pay increase in line with inflation.
- Building repairs increased £3,376 (2018 - £195).
- Computer repairs and maintenance increased to £5,344 (2018 - £1,716).
- The purchase of promotional goods increased to £6,446 (2018 - £3,471).
- Legal and professional fees increased to £8,164 (2018 - £6,407).

BCCS members were refunded £16,800 for supporting the Charolais classes at the National and Royal Shows. This support attracted 22 more Charolais cattle than in the previous year, the credit of £100 per animal forward assists with some of the expenses incurred by the Charolais exhibitors.

SNP testing, the change over from microsatellite cost the society £26,864 which has also been fully capitalised

The loss for the financial year was £21,434 (2018 - £40,593) compared to a budgeted loss of £89,000.

The British Charolais Cattle Society

TREASURERS REPORT continued

Last year I mentioned that difficult decisions were going to be considered. In September I presented a budget to the council for discussion. After long and detailed consideration, the proposal was adopted unanimously. In the light of the current crisis we have had to revisit the budget recently. With the inevitable reduction in dividend income and the likely reduction in sale commissions along with the possibility of reduced registrations all pointing towards reduced income. On the expenditure side of the calculation we are foreseeing considerable savings in show expenditure, Charolais youth etc with an overall difference to the budget of £1,000. These calculations unfortunately involve a lot of guesswork, and will be regularly monitored, but if correct are far better than we first hoped.

Finally, I would like to wish you all the absolute best of luck. I suspect that most of us go into self isolation at this time of year, or as we usually know it, calving and lambing. We are so very lucky to be doing this in beautifully isolated parts of the country. Hopefully by the time you all read this the worst will be over and we will all be looking forward to renewing friendships.

The British Charolais Cattle Society

REPORT OF THE TRUSTEES for the year ended 31 December 2019

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives, activities, achievements and performance

Being a registered charity, the Society must fulfil its charitable duties by benefiting the general public. These principal objectives are fulfilled by breed improvement, education and conservation. Breed improvement by registration of births and parentage, which are then genetically evaluated, leads to more efficient prime beef production. Efficient beef production helps maintain cost-effective beef sales for the buying public. Through assistance in the organisation of farm open days and supporting classes at the summer shows and winter primestock shows, the general public are given the opportunity of being involved with prime beef cattle. It is both an educational and enjoyable experience. The third objective is conservation of the Charolais breed. Although not a major issue at the present time, complacency cannot be ruled out, as historically several numerically popular breeds have faced extinction. The trustees have had regard to the Charity Commission's guidance on public benefit.

The principal activities of the Society include the recording and transfer of ownership of registered Charolais cattle. A herd book of Charolais cattle registered in the United Kingdom is maintained, and from this register technical and genetic breed improvement programmes are maintained in conjunction with the Agricultural Business Research Institute.

In conjunction with selected auctioneers, Charolais cattle sales are organised whereby Charolais breeders bring their cattle to a central collection point to be offered for sale. The sales are advertised to attract customers from the general farming community. Other activities include co-operation with the regional Charolais clubs in the promotion of Charolais cattle through open days, agricultural shows, etc. Research work is carried out with various scientific bodies looking into efficient beef production, improving the taste and tenderness of beef produced from Charolais cattle, and now that the bovine genome is well on the way to being understood certain alleles of genes can be identified which will, in the future, have an effect on not only making beef a more consistent product, but could well have certain health benefits.

A more comprehensive review of the BCCS activities appears within this document in the Chairman's and Treasurer's reports.

STRATEGIC REPORT

Income generation

The total income for 2019 increased in the year by 24% from £549,700 to £680,177. The major contributions to the Society income are derived from members' subscriptions, registration fees, transfer fees, auction sale commissions and investment income. Breedplan income totalled £51,918 (2018 - £52,776). The dividend income from the investment portfolio decreased by 2% to £78,331 (2018 - £79,770).

A detailed breakdown of the various income streams are detailed within the statement of financial activities with a more detailed breakdown of certain aspects contained in the Treasurer's Report.

The British Charolais Cattle Society

REPORT OF THE TRUSTEES for the year ended 31 December 2019

STRATEGIC REPORT

Financial review

Investment policy and returns

The trustees have given discretionary powers to Rathbones to invest the Society's financial portfolio in stocks, shares and securities in the low-medium risk category, with income and capital growth of the portfolio being the principal policy in the short to medium term.

Fund raising

The principal areas of fund raising are through annual subscriptions, registration fees, auction sale commissions, private sales transfer fees and the sale of promotional goods, and HMRC Gift Aid tax reclamations.

Resources expended and services

The charity's expenditure is directed towards administering the charity and promoting the Charolais breed. There is a small administration staff who deal with the registration, transfers and members' subscriptions on a daily basis, together with associated matters of a general nature but which affect the core objectives of the charity. There is a breakdown of the direct charitable expenditure in the Notes to the Financial Statements.

To increase awareness of the breed, expenditure is incurred in general breed promotion through advertising, promotional events at shows and open days. Other ventures include research and development to improve beef production efficiency.

Reserves policy

The trustees have examined the charity's requirements for reserves in the light of the main risks to the organisation and have agreed that the previous policy of building up a substantial reserve when the agricultural industry, and in particular the beef industry, were enjoying better times, is a solid policy to carry the Society through times of adversity. The trustees have established the level of reserves (that is those funds that are freely available) that the charity ought to have and have also considered the level of additional short term reserves that will also be needed to sustain operations and subsidise the members should there be a recurrence of the foot and mouth epidemic or other problems associated with agriculture. We have witnessed through the foot and mouth epidemic, and prior to that the associated problems of BSE, that these reserves have acted as a buffer against increasing fees and will continue to do so in the coming years.

The uncertainty of BREXIT, import tariffs and EU subsidises, may well result in a reduction of income from the charity's charitable activities. Currently the charity has approximately £2.5m in reserves which is readily accessible. The remaining £428k is invested in administrative property, plant and machinery and intangible assets.

We believe that it is prudent to hold reserves equivalent to approximately 24 months expenditure. In calculating reserves, we have excluded from total funds the tangible and intangible assets totalling £428k which are in fixed assets. Therefore, the actual level of reserves readily available for day to day expenditure amounts to approximately £2.5m, and although this is in excess of the 24 months expenditure, the trustees are aware of a possible economic slowdown which may affect the level of reserves, and the income from the investment portfolio. This, together with an increase in administration expenditure, and an increase in breed improvement and breed promotional activities, will lead to a reduction in the level of reserves.

Plans for the future

Future developments in the registration and genetic improvement of Charolais cattle are continually being reviewed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is a charitable company limited by guarantee, governed by its Memorandum and Articles of Association dated 27 July 1962. Members of the Council of Management, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year are set out in the section entitled 'Reference and administrative details'. Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of a winding up. The total number of such guarantees at 31 December 2019 was 16 (2018 - 16).

The British Charolais Cattle Society

REPORT OF THE TRUSTEES for the year ended 31 December 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Appointment of trustees

The Council of Management is elected by the members within the regions of the United Kingdom. Each trustee can serve for a three-year term, and may be re-elected for a further three-year period. The trustees meet at least three times a year and also hold discussions by conference call when deemed necessary.

Organisation

The Executive Committee consists of the Chairman, Vice-Chairman and Treasurer, together with other individuals if deemed necessary. This committee is delegated certain functions from the main board. Other committees may be set up as and when the board deem it necessary to do so. Each committee has its decisions ratified by the full board.

Trustees induction and training

New trustees are inducted during their first trustees meeting. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Key management remuneration

The Council of Management are the trustees of the charity and directors of the charitable company. The council delegates the responsibility for directing and controlling, running and operating the charity to the senior leadership team under the CEO. Remuneration is benchmarked against pay levels with other charities of a similar size.

Related parties

The trustee body along with members of the senior management team represent the key related parties of the charity.

Risk review

The Council of Management has conducted its own review of the risks to which the charity is exposed and systems have been established to mitigate those risks. The Council of Management does not consider that there are significant risks to external funding but the charity continues to undertake an ongoing review of funding. Internal risks are minimised by the implementation of procedures for authorisation of all transactions to ensure consistent quality of delivery for all aspects of the charitable company. These procedures are reviewed periodically to ensure that they continue to meet the needs of the charity.

The British Charolais Cattle Society

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The British Charolais Cattle Society Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 18 June 2020 and signed on the board's behalf by:

.....
Mr B Harman - Trustee

The British Charolais Cattle Society
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE BRITISH CHAROLAIS CATTLE SOCIETY
LIMITED

Opinion

We have audited the financial statements of The British Charolais Cattle Society Limited (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

The British Charolais Cattle Society
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE BRITISH CHAROLAIS CATTLE SOCIETY
LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gregg Olner MPhil BA(Hons) ACA (Senior Statutory Auditor)
for and on behalf of Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditor
Highdown House
11 Highdown Road
Leamington Spa
Warwickshire
CV31 1XT

Date: 18 June 2020

The British Charolais Cattle Society

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2019

	Notes	Unrestricted fund £	Restricted fund £	2019 Total funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	15,817	-	15,817	13,600
Charitable activities	6				
Breed improvement		505,564	-	505,564	385,493
Other trading activities	4	32,826	-	32,826	32,792
Investment income	5	125,970	-	125,970	117,815
Total		680,177	-	680,177	549,700
EXPENDITURE ON					
Raising funds	7	27,692	-	27,692	21,951
Charitable activities	8				
Breed improvement		664,964	-	664,964	606,476
Total		692,656	-	692,656	628,427
Net gains/(losses) on investments		(10,223)	-	(10,223)	38,134
NET INCOME/(EXPENDITURE)		(22,702)	-	(22,702)	(40,593)
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets		373,176	-	373,176	(264,538)
Net movement in funds		350,474	-	350,474	(305,131)
RECONCILIATION OF FUNDS					
Total funds brought forward		2,585,582	-	2,585,582	2,890,713
TOTAL FUNDS CARRIED FORWARD		2,936,056	-	2,936,056	2,585,582

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The British Charolais Cattle Society

BALANCE SHEET 31 December 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	14	16,299	20,770
Tangible assets	15	411,888	388,220
Investments	16	2,411,916	<u>2,178,502</u>
		2,840,103	2,587,492
CURRENT ASSETS			
Stocks	17	5,600	6,257
Debtors	18	49,858	34,866
Cash at bank		142,776	<u>72,736</u>
		198,234	113,859
CREDITORS			
Amounts falling due within one year	19	(102,281)	(115,769)
		95,953	<u>(1,910)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,936,056	2,585,582
NET ASSETS		2,936,056	<u>2,585,582</u>
FUNDS	22		
Unrestricted funds		2,936,056	<u>2,585,582</u>
TOTAL FUNDS		2,936,056	<u>2,585,582</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 18 June 2020 and were signed on its behalf by:

.....
Mr A P Drysdale - Trustee

.....
Mr B Harman - Trustee

The British Charolais Cattle Society

CASH FLOW STATEMENT for the year ended 31 December 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(96,372)</u>	(140,389)
Net cash used in operating activities		<u>(96,372)</u>	(140,389)
Cash flows from investing activities			
Purchase of intangible fixed assets		(902)	(25,962)
Purchase of tangible fixed assets		(40,724)	(21,693)
Purchase of fixed asset investments		(80,432)	(81,256)
Sale of fixed asset investments		209,971	190,290
Interest received		168	44
Dividends received		<u>78,331</u>	<u>79,770</u>
Net cash provided by investing activities		<u>166,412</u>	<u>141,193</u>
Change in cash and cash equivalents in the reporting period		70,040	804
Cash and cash equivalents at the beginning of the reporting period		<u>72,736</u>	<u>71,932</u>
Cash and cash equivalents at the end of the reporting period		<u>142,776</u>	<u>72,736</u>

The British Charolais Cattle Society

NOTES TO THE CASH FLOW STATEMENT for the year ended 31 December 2019

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(22,702)	(40,593)
Adjustments for:		
Depreciation charges	22,429	20,191
Losses/(gain) on investments	10,223	(38,134)
Interest received	(168)	(44)
Dividends received	(78,331)	(79,770)
Decrease/(increase) in stocks	657	(2,438)
(Increase)/decrease in debtors	(14,992)	5,658
Decrease in creditors	<u>(13,488)</u>	<u>(5,259)</u>
Net cash used in operations	<u>(96,372)</u>	<u>(140,389)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.19 £	Cash flow £	At 1.12.19 £
Net cash			
Cash at bank	<u>72,736</u>	<u>70,040</u>	<u>142,776</u>
Total	<u>72,736</u>	<u>70,040</u>	<u>142,776</u>

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

1. COMPANY STATUS

The charity is a company limited by guarantee and incorporated in England and Wales. The members of the company are the trustees who are also the directors. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The charitable company's registered numbers and registered office address can be found in the Report of the Trustees.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The charitable company fulfils the criteria of a public benefit entity as defined by FRS 102.

The accounting policies are set out below and remain unchanged from the previous year.

Significant accounting judgements and estimates

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Subscriptions and investment income are recorded on a receivable basis. Income from fund-raising events is shown gross with the associated costs included in fund-raising costs.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis inclusive of any VAT that cannot be recovered and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is accounted for gross and when it is incurred. Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds. Charitable activities include expenditure associated with the registration and promotion of Charolais cattle and include both the direct costs and support costs relating to these activities. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Intangible assets

Intangible assets are recognised at cost less amortisation. Amortisation is provided over five years, in order to write off each asset over its estimated useful life.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Leasehold property - Royal Welsh Pavilion	- over the lease term
Leasehold property - NAC	- over the lease term
Fixtures & fittings - Royal Welsh Pavilion	- 25% on cost
Fixtures & fittings - NAC	- 12.5% on cost
Computer equipment	- at varying rates on cost

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

Stocks

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

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Investments

Fixed asset investments are shown on the balance sheet at their fair value. Listed investments are valued at their mid market value as at the balance sheet date. Changes in fair value are recognised in the Statement of Financial Activities in the period in which they arise.

Financial instruments

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities.

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

3. DONATIONS AND LEGACIES

	2019	2018
	£	£
Royal Welsh Pavilion & other donations	<u>15,817</u>	<u>13,600</u>

4. OTHER TRADING ACTIVITIES

	2019	2018
	£	£
Auction sale income	<u>29,253</u>	30,680
Sale of promotional goods	<u>3,573</u>	<u>2,112</u>
	<u>32,826</u>	<u>32,792</u>

5. INVESTMENT INCOME

	2019	2018
	£	£
Rents received	<u>47,471</u>	38,001
Listed investment income (gross)	<u>78,331</u>	79,770
Bank deposit interest	<u>168</u>	44
	<u>125,970</u>	<u>117,815</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2019	2018
	£	£	£
Subscriptions receivable	Breed improvement	<u>65,046</u>	71,418
Donations - unallocated subs	Breed improvement	<u>2,020</u>	1,838
Enrolment fees & herd prefixes	Breed improvement	<u>1,875</u>	1,850
Registration fees	Breed improvement	<u>183,019</u>	164,235
F.O.T. registration fees	Breed improvement	<u>23,700</u>	12,420
Transfer fees	Breed improvement	<u>4,700</u>	5,150
Semen royalty scheme	Breed improvement	<u>2,908</u>	2,011
Breedplan income	Breed improvement	<u>51,918</u>	52,776
Gift Aid tax refund & interest	Breed improvement	<u>11,039</u>	10,843
Import admin fees	Breed improvement	<u>2,550</u>	1,906
DNA testing	Breed improvement	<u>126,699</u>	56,749
Warranty income	Breed improvement	<u>2,718</u>	2,786
Export certificate fees	Breed improvement	<u>359</u>	-
Solar income	Breed improvement	<u>2,678</u>	1,511
Other breed society services	Breed improvement	<u>24,335</u>	-
		<u>506,832</u>	<u>385,493</u>

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

7. RAISING FUNDS

Raising donations and legacies

	2019	2018
	£	£
Auction sale expenses	10,988	11,554
Charolais News & herd books	5,596	1,674
Regional contributions	4,662	5,252
	<u>21,246</u>	<u>18,480</u>

Other trading activities

	2019	2018
	£	£
Purchases	<u>6,446</u>	<u>3,471</u>
Aggregate amounts	<u>27,692</u>	<u>21,951</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9)	Support costs (see note 10)	Totals
	£	£	£
Breed improvement	<u>628,308</u>	<u>36,656</u>	<u>664,964</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2019	2018
	£	£
Staff costs	231,488	221,203
Rent, rates, insurance, cleaning, heat & light	31,868	28,022
Retirement packages	-	5,083
Telephone	3,965	5,083
Postage	11,379	14,794
Publicity expenses	91,083	121,345
Sundries	3,818	3,240
Repairs & maintenance - building	3,376	195
Charolais Youth	5,413	6,410
Printing & stationery	5,969	10,034
Maintenance of office equipment	492	2,470
Pedigree Cattle Livestock Services	29,000	29,000
Computer maintenance & support	5,344	1,716
Subscriptions	1,145	1,313
Herd inspection expenses	3,235	4,578
ABRI support	25,051	23,413
Royal Welsh Pavilion expenses	1,464	2,149
Ultra sound scanning refunds	11,700	11,475
Registration calf credit notes	5,510	4,930
DNA SNP testing	<u>126,296</u>	<u>48,737</u>
Carried forward	597,596	545,190

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

9. DIRECT COSTS OF CHARITABLE ACTIVITIES - continued

	2019	2018
	£	£
Brought forward	597,596	545,190
Other breed society services	8,283	-
Depreciation	<u>22,429</u>	20,191
	<u>628,308</u>	<u>565,381</u>

10. SUPPORT COSTS

	Governance costs
	£
Breed improvement	<u>36,656</u>

Support costs, included in the above, are as follows:

Governance costs	2019	2018
	Breed improvement	Total activities
	£	£
Auditors' remuneration	4,950	4,915
Auditors' remuneration for non audit work	2,073	2,268
Legal and professional fees	8,164	6,407
Directors, staff & board travel expenses	<u>21,469</u>	<u>27,505</u>
	<u>36,656</u>	<u>41,095</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2019	2018
	£	£
Auditors' remuneration	4,950	4,915
Other non-audit services	2,073	2,268
Depreciation - owned assets	17,056	14,999
Breed improvement amortisation	5,373	5,192
Income from operating leases	(47,471)	(38,001)
Amounts payable under operating leases	<u>2,272</u>	<u>1,935</u>

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Trustees' expenses

Travel and subsistence expenses were reimbursed to 16 members of the Council of Management during the year totalling £8,425 (2018 - £9,447). The members of the Council of Management neither received nor waived any emoluments during the year.

13. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	<u>203,299</u>	195,694
Social security costs	<u>14,026</u>	13,487
Other pension costs	<u>14,163</u>	12,022
	<u><u>231,488</u></u>	<u><u>221,203</u></u>

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

	2019	2018
Cost of generating funds	3	3
Management & administration	<u>3</u>	<u>3</u>
	<u><u>6</u></u>	<u><u>6</u></u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019	2018
£70,001 - £80,000	<u>1</u>	<u>1</u>

Key management personnel

Key management comprises the Chief Executive Officer and the members of the Council of Management. Compensation of key management personnel totalled £75,189 (2018 - £71,700).

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

14. INTANGIBLE FIXED ASSETS

	Breed improvement £
COST	
At 1 January 2019	25,962
Additions	902
At 31 December 2019	26,864
AMORTISATION	
At 1 January 2019	5,192
Charge for year	5,373
At 31 December 2019	10,565
NET BOOK VALUE	
At 31 December 2019	16,299
At 31 December 2018	20,770

15. TANGIBLE FIXED ASSETS

	Leasehold property - Royal Welsh Pavilion £	Leasehold property - NAC £	Fixtures & fittings - Royal Welsh Pavilion £
COST			
At 1 January 2019	138,827	422,035	6,098
Additions	-	34,407	-
At 31 December 2019	138,827	456,442	6,098
DEPRECIATION			
At 1 January 2019	79,486	102,345	6,098
Charge for year	6,593	4,918	-
At 31 December 2019	86,079	107,263	6,098
NET BOOK VALUE			
At 31 December 2019	52,748	349,179	-
At 31 December 2018	59,341	319,690	-

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

15. TANGIBLE FIXED ASSETS - continued

	Fixtures & fittings - NAC £	Computer equipment £	Totals £
COST			
At 1 January 2019	<u>33,234</u>	<u>15,862</u>	<u>616,056</u>
Additions	-	<u>6,317</u>	<u>40,724</u>
At 31 December 2019	<u><u>33,234</u></u>	<u><u>22,179</u></u>	<u><u>656,780</u></u>
DEPRECIATION			
At 1 January 2019	<u>33,234</u>	<u>6,673</u>	<u>227,836</u>
Charge for year	-	<u>5,545</u>	<u>17,056</u>
At 31 December 2019	<u><u>33,234</u></u>	<u><u>12,218</u></u>	<u><u>244,892</u></u>
NET BOOK VALUE			
At 31 December 2019	-	<u><u>9,961</u></u>	<u><u>411,888</u></u>
At 31 December 2018	-	<u><u>9,189</u></u>	<u><u>388,220</u></u>

16. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2019	2,178,502
Additions	80,432
Disposals	(220,194)
Revaluations	<u>373,176</u>
At 31 December 2019	<u><u>2,411,916</u></u>
NET BOOK VALUE	
At 31 December 2019	<u><u>2,411,916</u></u>
At 31 December 2018	<u><u>2,178,502</u></u>

There were no investment assets outside the UK.

The historic cost of fixed asset investments totals £1,663,009 (2018 - £1,802,771).

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

17. STOCKS

	2019	2018
	£	£
Goods for resale	<u>5,600</u>	<u>6,257</u>

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	<u>45,738</u>	<u>33,386</u>
Prepayments and accrued income	<u>4,120</u>	<u>1,480</u>
	<u>51,126</u>	<u>34,866</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	<u>86,634</u>	<u>101,921</u>
Social security and other taxes	<u>4,337</u>	<u>8,651</u>
VAT	<u>6,360</u>	<u>377</u>
Accrued expenses	<u>4,950</u>	<u>4,820</u>
	<u>102,281</u>	<u>115,769</u>

Included within creditors is a balance totalling £28,625 (2018 - £43,013) relating to deferred income. The charity defers income relating to registrations and subscriptions paid in advance of invoices being raised.

	£
Balance as at 1 January 2019	43,013
Amounts released to income during the year	(43,013)
Amounts deferred during the year	28,625
Balance as at 31 December 2019	<u>28,625</u>

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	<u>2,272</u>	<u>2,272</u>
Between one and five years	<u>6,036</u>	<u>8,077</u>
In more than five years	<u>-</u>	<u>231</u>
	<u>8,308</u>	<u>10,580</u>

Minimum lease payments receivable under non-cancellable operating leases also fall due within one year of £42,365 and due between one and five years of £8,142.

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted fund £	Total funds £	Total funds £
Fixed assets	428,187	-	428,187	408,990
Investments	2,411,916	-	2,411,916	2,178,502
Current assets	198,234	-	198,234	113,859
Current liabilities	(102,281)	-	(102,281)	(115,769)
	<u>2,936,056</u>	<u>-</u>	<u>2,936,056</u>	<u>2,585,582</u>

22. MOVEMENT IN FUNDS

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	2,585,582	350,474	2,937,324
	<u>—</u>	<u>—</u>	<u>—</u>
TOTAL FUNDS	<u>2,585,582</u>	<u>350,474</u>	<u>2,937,324</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	680,177	(692,656)	362,953	350,474
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
TOTAL FUNDS	<u>680,177</u>	<u>(692,656)</u>	<u>362,953</u>	<u>350,474</u>

Comparatives for movement in funds

	At 1.1.18 £	Net movement in funds £	At 31.12.18 £
Unrestricted funds			
General fund	2,890,713	(305,131)	2,585,582
	<u>—</u>	<u>—</u>	<u>—</u>
TOTAL FUNDS	<u>2,890,713</u>	<u>(305,131)</u>	<u>2,585,582</u>

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

22. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	549,700	(628,427)	(226,404)	(305,131)
TOTAL FUNDS	<u>549,700</u>	<u>(628,427)</u>	<u>(226,404)</u>	<u>(305,131)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.18 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	2,890,713	45,343	2,936,056
TOTAL FUNDS	<u>2,890,713</u>	<u>45,343</u>	<u>2,936,056</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,229,877	(1,321,083)	136,549	45,343
TOTAL FUNDS	<u>1,229,877</u>	<u>(1,321,083)</u>	<u>136,549</u>	<u>45,343</u>

The general fund represents all cumulative surpluses of the charity and is available to use in furtherance of the charity's objectives as the trustees see fit.

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

23. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined contribution insured pension scheme in respect of the secretary and office manager. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £14,163 (2018 - £12,022). There were no outstanding or prepaid contributions.

24. CAPITAL COMMITMENTS

	2019	2018
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>28,727</u>

25. RELATED PARTY DISCLOSURES

Alongside receiving reimbursement for expenses incurred, the trustees are also supporters of the activities of the charity through subscriptions which are charged at the same price as third party members.

The British Charolais Cattle Society

DETAILED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2019

	2019	2018
	£	£
INCOME AND ENDOWMENTS		
Donations and legacies		
Royal Welsh Pavilion & other donations	15,817	13,600
Other trading activities		
Auction sale income	29,253	30,680
Sale of promotional goods	<u>3,573</u>	<u>2,112</u>
	32,826	32,792
Investment income		
Rents received	47,471	38,001
Listed investment income (gross)	78,331	79,770
Bank deposit interest	<u>168</u>	<u>44</u>
	125,970	117,815
Charitable activities		
Subscriptions receivable	65,046	71,418
Donations - unallocated subs	2,020	1,838
Enrolment fees & herd prefixes	1,875	1,850
Registration fees	183,019	164,235
F.O.T. registration fees	23,700	12,420
Transfer fees	4,700	5,150
Semen royalty scheme	2,908	2,011
Breedplan income	51,918	52,776
Gift Aid tax refund & interest	11,039	10,843
Import admin fees	2,550	1,906
DNA testing	126,699	56,749
Warranty income	2,718	2,786
Export certificate fees	359	-
Solar income	2,678	1,511
Other breed society services	<u>24,335</u>	<u>-</u>
	505,564	385,493
Total incoming resources	680,177	549,700
EXPENDITURE		
Raising donations and legacies		
Auction sale expenses	10,988	11,554
Charolais News & herd books	5,596	1,674
Regional contributions	<u>4,662</u>	<u>5,252</u>
	21,246	18,480

This page does not form part of the statutory financial statements

The British Charolais Cattle Society

DETAILED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2019

	2019	2018
	£	£
Raising donations and legacies		
Other trading activities		
Purchase of promotional goods	6,446	3,471
Charitable activities		
Wages	203,299	195,694
Social security	14,026	13,487
Pensions	14,163	12,022
Rent, rates, insurance, cleaning, heat & light	31,868	28,022
Retirement packages	-	5,083
Telephone	3,965	5,083
Postage	11,379	14,794
Publicity expenses	91,083	121,345
Sundries	3,818	3,240
Repairs & maintenance - building	3,376	195
Charolais Youth	5,413	6,410
Printing & stationery	5,969	10,034
Maintenance of office equipment	492	2,470
Pedigree Cattle Livestock Services	29,000	29,000
Computer maintenance & support	5,344	1,716
Subscriptions	1,145	1,313
Herd inspection expenses	3,235	4,578
ABRI support	25,051	23,413
Royal Welsh Pavilion expenses	1,464	2,149
Ultra sound scanning refunds	11,700	11,475
Registration calf credit notes	5,510	4,930
DNA SNP testing	126,296	48,737
Other breed society services	8,283	-
Amort of breed improvement	5,373	5,192
Depreciation of short leasehold	6,593	6,593
Depreciation of long leasehold	4,918	4,440
Depreciation of computer equipment	5,545	3,966
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	628,308	565,381
Support costs		
Governance costs		
Auditors' remuneration	4,950	4,915
Auditors' remuneration for non audit work	2,073	2,268
Legal and professional fees	8,164	6,407
Directors, staff & board travel expenses	21,469	27,505
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	36,656	41,095
Total resources expended	692,656	628,427
Net expenditure before gains and losses	(12,479)	(78,727)
Realised recognised gains and losses		
Carried forward	(12,479)	(78,727)

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The British Charolais Cattle Society

DETAILED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2019

	2019	2018
	£	£
Realised recognised gains and losses		
Brought forward	(12,479)	(78,727)
Gains/(losses) on fixed asset investments	(10,223)	<u>38,134</u>
Net expenditure	<u>(22,702)</u>	<u>(40,593)</u>

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The British Charolais Cattle Society

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