

**COMPANY REGISTRATION NUMBER: 01743500**

**CHARITY REGISTRATION NUMBER: 1108263**

**THE BRITISH BLUE CATTLE SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**David Allen**

Chartered Accountants & Statutory Auditor

Dalmar House

Barras Lane Estate

Dalston

Carlisle

CA5 7NY

**THE BRITISH BLUE CATTLE SOCIETY**

**COMPANY LIMITED BY GUARANTEE**

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# **THE BRITISH BLUE CATTLE SOCIETY**

## **COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**

#### **YEAR ENDED 31 DECEMBER 2020**

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The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

#### **OBJECTIVES AND ACTIVITIES**

The objective of the charity is the promotion of agriculture, for public benefit, by the encouragement, promotion and improvement of the breeding of the British Blue breed of livestock and the maintenance of the purity of the breed. The trustees have considered the guidance produced by the Charity Commission on the provision of the public benefit and they confirm that public benefit has been provided by carrying out this objective.

The charity operated throughout the UK and also worldwide where necessary and appropriate to its objectives.

#### ***Public benefit***

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **FINANCIAL REVIEW**

The Statement of Financial Activities on page 13 shows a net surplus of £25,034 (2019: £13,531).

The total income for the year amounted to £197,671 (2019: £196,845). The main income stream for the charity being registrations, followed by membership income.

The total expenditure for the year amounted to £182,478 (2019: £199,904). The main expenditure incurred by the charity was for breed promotion and office and administrative overheads.

Total funds carried forward at 31 December 2020 amounted to £315,225 (2019: £290,191). The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

# **THE BRITISH BLUE CATTLE SOCIETY**

## **COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**

#### **YEAR ENDED 31 DECEMBER 2020**

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##### ***Policy on reserves***

The trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission.

Over a period of years the trustees have followed a policy to establish financial reserves that would be sufficient to cover foreseeable contingencies. The trustees aim to be able to retain sufficient reserves necessary to meet liabilities and expenses for a period of one and a half years, should any of the funding sources become unreliable or be delayed due to an extended period of economic downturn in the agricultural industry.

##### ***Investment policy and objectives***

Financial investment powers and management lie with the charity Treasurer, with all final decisions being ratified by a majority decision of the charity's trustees.

##### ***Principal risks and uncertainties***

The board of trustees has conducted a review of the major risks to which the charity is exposed through internal and external processes. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. The significant external risks being managing inter-beef breed competition and upholding the reputation and status of the British Blue Breed.

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions. Procedures are in place to ensure compliance with health and safety of staff and visitors to the premises and programmes. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

The key priority regarding financial risks being, firstly, the secure investment of the charity's financial assets and secondly, achieving the highest return without incurring any financial risk.

##### ***Covid-19 impact***

Covid-19 did not have a major impact on the society, or on its activities in 2020. It operates remotely and members are mainly farmers whose activities continued under lockdown. It is not expected to have a major impact in 2021 either.

# **THE BRITISH BLUE CATTLE SOCIETY**

## **COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**

**YEAR ENDED 31 DECEMBER 2020**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### ***Nature of governing document***

The British Blue Cattle Society is a charitable company limited by guarantee, incorporated on 29 July 1983 and registered as a charity on 23 February 2005. The charitable company is governed under its Memorandum and Articles of Association dated 29 July 1983 as amended by special resolutions dated 9 May 1997, 12 May 1998 and 20 January 2005.

##### ***Recruitment and appointment of trustees***

Any person can be admitted as a trustee of the charitable company providing all other trustees give their approval.

The charitable company is made up of 12 elected directors, each serving a period of office for four years. Each year three national seats come up for re-election, with four regional members being elected once in four years.

##### ***Induction and training of trustees***

Trustees are inducted through a process of best practice. They have the opportunity to meet, study and understand the vision, mission and values of the organisation and clarify their roles and responsibilities. The trustees are selected for their contribution, skills and expertise that they can bring to manage the organisation.

##### ***Organisational structure***

The board of trustees administers the charity and they meet four times during the year to discuss and formulate the charity's management policy. At the first trustees' meeting, following the AGM in May, the board of trustees appoints the company officers for the forthcoming year. A company secretary is engaged by the board of trustees to implement agreed management policy and to be responsible for the day to day management of the charity.

The company officers during the year were as follows:

Chairman Mr J G Brindley  
Vice Chairman Mr S T Hough  
Treasurer Mr A J Wilkinson  
Vice Treasurer Mr J Barber  
Secretary Mr A Ryder

**THE BRITISH BLUE CATTLE SOCIETY**

**COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**

**YEAR ENDED 31 DECEMBER 2020**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Trustees**

Mr J G Brindley  
Mr S T Hough  
Mr A S Haste  
Mrs H M Paterson  
Mr R S Pattinson  
Mr A J Neachell  
Mr J Barber  
Mr J O'Kell  
Mr A J Wilkinson  
Mr J R Hall  
Mrs A V Morrison  
Mr A Price  
Mr T James

**Secretary**

Mr A Ryder

**Principal Office**

Holme House  
The Dale  
Ainstable  
Carlisle  
CA4 9RH

The charity is incorporated in England and Wales.

**Company Registration Number**

01743500

**Charity Registration Number**

1108263

**Bankers**

Barclays Bank plc  
32 Clarendon Road  
Watford  
Hertfordshire  
WD17 1GT

**THE BRITISH BLUE CATTLE SOCIETY**

**COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**

**YEAR ENDED 31 DECEMBER 2020**

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**Auditor**

David Allen  
Chartered Accountants & Statutory Auditor  
Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

**FINANCIAL INSTRUMENTS**

***Objectives and policies***

The charity's activities expose it to a number of financial risks including credit risk and cash flow risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

***Credit risk***

The charity's principal financial assets are bank balances and cash, trade and other receivables. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

**THE BRITISH BLUE CATTLE SOCIETY**

**COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**

**YEAR ENDED 31 DECEMBER 2020**

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**REAPPOINTMENT OF AUDITOR**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of David Allen as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The trustees' annual report and the strategic report were approved by the trustees of the charity on 24 June 2021 and signed on its behalf by:

.....  
Mr A Ryder  
Company Secretary



# **THE BRITISH BLUE CATTLE SOCIETY**

## **COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**

**YEAR ENDED 31 DECEMBER 2020**

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#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of The British Blue Cattle Society for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Ireland (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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

## **THE BRITISH BLUE CATTLE SOCIETY**

### **COMPANY LIMITED BY GUARANTEE**

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH BLUE CATTLE SOCIETY**

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##### **OPINION**

We have audited the financial statements of The British Blue Cattle Society (the 'charity') for the year ended 31 December 2020, which comprise the Statement of financial activities, Balance sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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.

## **THE BRITISH BLUE CATTLE SOCIETY**

### **COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH BLUE CATTLE SOCIETY**

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### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **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 auditor's report 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.

### **OPINION 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 Trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report (incorporating the directors' report).

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:

## **THE BRITISH BLUE CATTLE SOCIETY**

### **COMPANY LIMITED BY GUARANTEE**

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH BLUE CATTLE SOCIETY**

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- 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 [set out on page 7], the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

#### **AUDITOR'S 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **THE BRITISH BLUE CATTLE SOCIETY**

### **COMPANY LIMITED BY GUARANTEE**

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH BLUE CATTLE SOCIETY**

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Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Secretary their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to the applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Secretary on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

We are not responsible for detecting fraud and preventing non-compliance and cannot be expected to detect all fraud and non-compliance with all laws and regulations. The primary responsibility for the prevention and detection of irregularities including fraud rests with both the Secretary and Trustees. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charitable company's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**THE BRITISH BLUE CATTLE SOCIETY**

**COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH BLUE CATTLE  
SOCIETY**

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.....  
ALISON WELTON (Senior Statutory Auditor)  
For and on behalf of  
David Allen  
Chartered Accountants & Statutory Auditor

Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

Date: 24 June 2021

**THE BRITISH BLUE CATTLE SOCIETY**

**COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL  
RECOGNISED GAINS AND LOSSES)**

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	<b>Note</b>	<b>Unrestricted £</b>	<b>Total 2020 £</b>
<b>Income from:</b>			
Donations and legacies	3	37,139	37,139
Other trading activities	4	85,848	85,848
Investment income	5	4,105	4,105
Other income	6	<u>70,579</u>	<u>70,579</u>
Total income		<u>197,671</u>	<u>197,671</u>
<b>Expenditure on:</b>			
Charitable activities	7	<u>(182,478)</u>	<u>(182,478)</u>
Total expenditure		<u>(182,478)</u>	<u>(182,478)</u>
Unrealised Gains/losses on investment assets		<u>9,841</u>	<u>9,841</u>
Net income		<u>25,034</u>	<u>25,034</u>
Net movement in funds		25,034	25,034
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>290,191</u>	<u>290,191</u>
Total funds carried forward	18	<u><u>315,225</u></u>	<u><u>315,225</u></u>

**THE BRITISH BLUE CATTLE SOCIETY**

**COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL  
RECOGNISED GAINS AND LOSSES)**

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	<b>Note</b>	<b>Unrestricted £</b>	<b>Total 2019 £</b>
<b>Income from:</b>			
Donations and legacies	3	39,521	39,521
Other trading activities	4	82,725	82,725
Investment income	5	4,179	4,179
Other income	6	<u>70,420</u>	<u>70,420</u>
Total income		<u>196,845</u>	<u>196,845</u>
<b>Expenditure on:</b>			
Charitable activities	7	<u>(199,904)</u>	<u>(199,904)</u>
Total expenditure		<u>(199,904)</u>	<u>(199,904)</u>
Gains/losses on investment assets		<u>16,590</u>	<u>16,590</u>
Net income		<u>13,531</u>	<u>13,531</u>
Net movement in funds		13,531	13,531
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>276,660</u>	<u>276,660</u>
Total funds carried forward	18	<u><u>290,191</u></u>	<u><u>290,191</u></u>



**THE BRITISH BLUE CATTLE SOCIETY**

**COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET AS AT 31 DECEMBER 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Fixed assets</b>			
Tangible assets	12	5,720	6,098
Investments	13	<u>244,499</u>	<u>202,427</u>
		250,219	208,525
<b>Current assets</b>			
Stocks	14	594	654
Debtors	15	84,406	95,251
Cash at bank and in hand		<u>49,487</u>	<u>46,286</u>
		134,487	142,191
<b>Creditors: Amounts falling due within one year</b>	16	<u>(69,481)</u>	<u>(60,525)</u>
<b>Net current assets</b>		<u>65,006</u>	<u>81,666</u>
<b>Net assets</b>		<u>315,225</u>	<u>290,191</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted		<u>315,225</u>	<u>290,191</u>
<b>Total funds</b>	18	<u>315,225</u>	<u>290,191</u>

The financial statements on pages 13 to 29 were approved by the trustees, and authorised for issue on 24 June 2021 and signed on their behalf by:

.....  
Mr A J Wilkinson  
Trustee  
Registration number: 01743500

# **THE BRITISH BLUE CATTLE SOCIETY**

## **COMPANY LIMITED BY GUARANTEE**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **1 CHARITY STATUS**

The liability of the members is limited. Every member of the charity undertakes to contribute to the assets of the charity, in the event of the same being wound up while he or she is a member, or within one year after he or she ceases to be a member, for payment of the debts and liabilities of the charity contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributions among themselves, such amount as may be required not exceeding one pound.

The charitable company is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Holme House, The Dale, Ainstable, Carlisle, CA4 9RH.

These financial statements were authorised for issue by the trustees on 24 June 2021.

#### **2 ACCOUNTING POLICIES**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements 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 Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102), Companies Act 2006 and the Charities Act 2011.

##### **Basis of preparation**

The British Blue Cattle Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £.

# **THE BRITISH BLUE CATTLE SOCIETY**

## **COMPANY LIMITED BY GUARANTEE**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

#### **Income**

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

#### ***Donations and legacies***

Donations are recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.

Income received by way of subscriptions are included in the period to which they relate.

#### ***Other trading activities***

Income from other trading activities is recognised when there is evidence of entitlement, receipt is probable and its amount can be measured reliably.

#### ***Investment income***

Investment income is recognised when receivable.

#### ***Other income***

Other income is recognised when there is evidence of entitlement, receipt is probable and its amount can be measured reliably.

## THE BRITISH BLUE CATTLE SOCIETY

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### ***Charitable activities***

Charitable expenditure comprises 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 and those costs of an indirect nature necessary to support them.

##### **Taxation**

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

##### **Tangible fixed assets**

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

##### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fixtures, Fittings and Equipment	15% reducing balance
Computer Equipment	33% reducing balance

##### **Fixed asset investments**

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

## **THE BRITISH BLUE CATTLE SOCIETY**

### **COMPANY LIMITED BY GUARANTEE**

#### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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##### **Stock**

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables. Other debtors are measured at their recoverable amounts. Prepayments are calculated as amounts paid during the financial year, but which relate to a future financial period. Accrued income is recognised when the entity is entitled to the income in the financial year, but the receipt does not occur until a future financial year.

##### **Cash and cash equivalents**

Cash at bank and in hand comprises all cash held, in bank current and deposit accounts.

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method. Accruals are calculated as amounts relating to the financial year, but which are paid after the year end. Deferred income includes amounts received in the financial year for revenue relating to future periods.

##### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

##### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

## **THE BRITISH BLUE CATTLE SOCIETY**

### **COMPANY LIMITED BY GUARANTEE**

#### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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##### **Financial instruments**

###### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

###### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

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**3 INCOME FROM DONATIONS AND LEGACIES**

	<b>Unrestricted</b>		
	<b>General</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>Donations and legacies</b>			
Tax recoverable on gift aid donations	3,342	3,342	5,600
<b>Sponsorship</b>			
Promotional and sponsorship income	650	650	674
<b>Subscriptions</b>	<u>33,147</u>	<u>33,147</u>	<u>33,247</u>
	<u>37,139</u>	<u>37,139</u>	<u>39,521</u>

**4 INCOME FROM OTHER TRADING ACTIVITIES**

	<b>Unrestricted</b>		
	<b>General</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
Merchandise sales	67	67	216
Registrations	84,106	84,106	80,484
Abri membership	<u>1,675</u>	<u>1,675</u>	<u>2,025</u>
	<u>85,848</u>	<u>85,848</u>	<u>82,725</u>

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**5 INVESTMENT INCOME**

	<b>Unrestricted</b>		
	<b>General</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
Income from dividends;			
Dividends	4,062	4,062	4,128
Interest receivable and similar income;			
Bank interest receivable	43	43	51
	<u>4,105</u>	<u>4,105</u>	<u>4,179</u>

**6 OTHER INCOME**

	<b>Unrestricted</b>		
	<b>General</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
DNA testing	-	-	773
Late fees 45/90 days	1,040	1,040	320
Auction levy commission	3,241	3,241	3,762
Income from services provided	57,923	57,923	53,295
Herd book advertising	5,725	5,725	9,320
Internet income	2,650	2,650	2,950
	<u>70,579</u>	<u>70,579</u>	<u>70,420</u>



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**7 EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>Unrestricted funds</b>		
	<b>General</b>	<b>Total 2020</b>	<b>Total 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Breed promotion	4,763	4,763	27,729
Herd book	6,220	6,220	6,924
Technical development costs	6,470	6,470	6,236
Allocated support costs	165,025	165,025	159,015
	<u>182,478</u>	<u>182,478</u>	<u>199,904</u>

£182,478 (2019: 199,904) of the above expenditure was attributable to unrestricted funds and £Nil (2019: £Nil) to restricted funds.

**8 NET INCOMING/OUTGOING RESOURCES**

Net incoming/(outgoing) resources for the year include:

	<b>2020 £</b>	<b>2019 £</b>
Depreciation of fixed assets	1,515	1,522
Foreign currency (gains)/losses	(375)	277
Auditor's remuneration	<u>3,700</u>	<u>3,700</u>

**9 TRUSTEES REMUNERATION AND EXPENSES**

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

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**10 STAFF COSTS**

The aggregate payroll costs were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	66,870	67,522
Social security costs	2,814	3,951
Pension costs	<u>2,683</u>	<u>2,709</u>
	<u><u>72,367</u></u>	<u><u>74,182</u></u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
Administrative staff	<u><u>2</u></u>	<u><u>2</u></u>

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £47,727 (2019 - £47,750).

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**11 TAXATION**

The charity is a registered charity and is therefore exempt from taxation.

**12 TANGIBLE FIXED ASSETS**

	<b>Fixtures, Fittings and Equipment £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2020	6,081	6,414	12,495
Additions	<u>271</u>	<u>865</u>	<u>1,136</u>
At 31 December 2020	<u>6,352</u>	<u>7,279</u>	<u>13,631</u>
<b>Depreciation</b>			
At 1 January 2020	2,294	4,103	6,397
Charge for the year	<u>590</u>	<u>924</u>	<u>1,514</u>
At 31 December 2020	<u>2,884</u>	<u>5,027</u>	<u>7,911</u>
<b>Net book value</b>			
At 31 December 2020	<u>3,468</u>	<u>2,252</u>	<u>5,720</u>
At 31 December 2019	<u>3,787</u>	<u>2,311</u>	<u>6,098</u>

**13 FIXED ASSET INVESTMENTS**

	<b>2020 £</b>	<b>2019 £</b>
Other investments	<u>244,499</u>	<u>202,427</u>

**THE BRITISH BLUE CATTLE SOCIETY**

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**Other investments**

	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Cost or Valuation</b>		
At 1 January 2020	202,427	202,427
Revaluation	9,841	9,841
Additions	133,612	133,612
Disposals	<u>(101,381)</u>	<u>(101,381)</u>
At 31 December 2020	<u>244,499</u>	<u>244,499</u>
<b>Net book value</b>		
At 31 December 2020	<u>244,499</u>	<u>244,499</u>
At 31 December 2019	<u>202,427</u>	<u>202,427</u>

**14 STOCK**

	<b>2020 £</b>	<b>2019 £</b>
Stocks	<u>594</u>	<u>654</u>

**15 DEBTORS**

	<b>2020 £</b>	<b>2019 £</b>
Trade debtors	51,714	56,581
Prepayments and accrued income	10,247	10,493
Other debtors	<u>22,445</u>	<u>28,177</u>
	<u>84,406</u>	<u>95,251</u>

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**16 CREDITORS: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	4,849	4,765
VAT liability	12,301	10,789
Accruals and deferred income	52,331	44,971
	<u>69,481</u>	<u>60,525</u>

**17 DEFINED CONTRIBUTION PLANS**

The amount recognised in the statement of financial activities as an expense in relation to defined contribution plans was £2,683 (2019: £2,709).

**18 FUNDS**

	<b>Balance at 1 January 2020 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Balance at 31 December 2020 £</b>
<b>Unrestricted</b>				
General	<u>290,191</u>	<u>197,671</u>	<u>(172,637)</u>	<u>315,225</u>

  

	<b>Balance at 1 January 2019 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Balance at 31 December 2019 £</b>
<b>Unrestricted</b>				
General	<u>276,660</u>	<u>196,845</u>	<u>(183,314)</u>	<u>290,191</u>

# THE BRITISH BLUE CATTLE SOCIETY

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<b>Unrestricted funds General £</b>	<b>Total funds at 31 December 2020 £</b>
Tangible fixed assets	5,720	5,720
Fixed asset investments	244,499	244,499
Current assets	134,487	134,487
Current liabilities	<u>(69,481)</u>	<u>(69,481)</u>
Total net assets	<u>315,225</u>	<u>315,225</u>

  

	<b>Unrestricted funds General £</b>	<b>Total funds at 31 December 2019 £</b>
Tangible fixed assets	6,098	6,098
Fixed asset investments	202,427	202,427
Current assets	142,191	142,191
Current liabilities	<u>(60,525)</u>	<u>(60,525)</u>
Total net assets	<u>290,191</u>	<u>290,191</u>

#### 20 RELATED PARTY TRANSACTIONS

During the year the charity made the following related party transactions:

**Mr A Ryder** (Secretary)

Mr A Ryder was provided with a short term loan for office improvements. A commercial rate of interest is payable on the loan. At the balance sheet date the amount due from Mr A Ryder was £15,845 (2019 - £18,595).

The premises that the charity operates from are owned by Mr A Ryder. A commercial rent of £7,500 (2019: £6,292) is paid for the use of these premises.

The charity now looks after the records of two other societies and the records are stored in premises owned by Mr A Ryder. A commercial storage fee of £3,000 (2019: £Nil) is paid for the use of these premises.

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**21 CORONAVIRUS**

Coronavirus did not have a major impact on the society, or on its activities in 2020. It operates remotely and all activities were able to continue during lockdown. It is not expected to have a major impact on the society in 2021 either.