

Independent Examiners' Report to the Trustees of the Welsh Black Cattle Society

I report to the trustees on my examination of the accounts of the Welsh Black Cattle Society for the year ended 31st December 2022, which are set out on pages 12 to 21.

Responsibilities and basis of report

As the charity trustees of the Welsh Black Cattle Society, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1) accounting records were not kept as required by section 130 of the Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

David Chidley
W. J. Matthews & Son
Chartered Accountants
11-15 Bridge Street,
Caernarfon,
Gwynedd.

Dated: 15th August 2023

Welsh Black Cattle Society

Statement of Financial Activities for the year ended 31 December 2022

	<i>Notes</i>	2022 £	2021 £
<i>Income</i>			
Subscriptions and donations	3	25,012	18,848
Income from charitable activities	4	47,792	49,464
Income from commercial operations	5	14,049	813
Investment income	6	430	24
Other income		-	3,795
Total Income		<u>87,283</u>	<u>72,944</u>
<i>Expenditure</i>			
Expenditure on charitable activities	7	<u>78,095</u>	<u>74,469</u>
Net income / (expenditure) and net movement in funds for the year		9,188	(1,525)
<i>Reconciliation of funds</i>			
<i>Total funds brought forward</i>		<u>371,933</u>	<u>373,458</u>
<i>Total funds carried forward</i>		<u>381,121</u>	<u>371,933</u>

All gains and losses recognised in the year are included in the Statement of Financial Activities.
All income and expenditure derive from continuing activities.

Welsh Black Cattle Society

Balance Sheet as at 31 December 2022

	<i>Notes</i>	2022 £	2021 £
Fixed Assets			
Tangible assets	9	117,491	121,181
Investments	10	29,457	29,386
		<hr/> 146,948	<hr/> 150,567
Current Assets			
Stock		1,000	1,000
Debtors	11	32,647	23,309
Cash at bank and in hand	12	218,271	211,627
		<hr/>	
	<hr/>	251,918	
	235,936		
Current Liabilities: <i>amounts falling due within one year</i>	13	(17,745)	(14,570)
		<hr/>	
Net current assets		234,173	221,366
		<hr/>	
Net assets		381,121	371,933
		<hr/>	<hr/>
Income Funds			
<i>Unrestricted funds</i>			
General Fund	15	381,121	371,933
		<hr/>	<hr/>
		381,121	371,933
		<hr/>	<hr/>

Approved by the Trustees of the Welsh Black Cattle Society on 15th August and signed on its behalf by:

Mr Edward Ll Williams

Mr Edward Ll. Williams

Welsh Black Cattle Society

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) **Basis of preparation**

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 (FRS102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011. The financial statements are prepared in sterling, which is the functional currency of the entity.

The Welsh Black Cattle Society meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) **Preparation of accounts on a going concern basis**

The Trustees are of the opinion that there are no reasons why the charity accounts should not be prepared under the going concern provisions.

c) **Income recognition policies**

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- Any performance conditions attached to the items of income have been met or are fully within the control of the charity;
- There is sufficient certainty that receipt of the income is considered probable; and
- The amount can be measured reliably.

Subscriptions are accounted for in the period to which they relate.

Income from services are accounted for when the services are provided.

d) **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Charitable activities include expenditure associated with projects and include the direct costs and support costs relating to those activities.

e) **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when restricted by the donor or when funds are raised for particular restricted purposes.

Welsh Black Cattle Society

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies

f) Tangible fixed assets

Fixed assets are stated at cost. The cost of minor additions or those costing below £100 are not capitalised. Depreciation is provided on all assets in order to write down the cost or valuation of fixed assets to their expected residual value in equal instalments over their expected useful lives as follows:

Building	2%
Office Furniture and Equipment	10%
Computer Equipment	33%

g) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

h) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term deposits.

i) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts.

j) Financial instruments

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

2. Legal Status of the Trust

The Trust is a Charitable Incorporated Organisation registered with the Charity Commission on 14 January 2015.

Welsh Black Cattle Society

Notes to the financial statements for the year ended 31 December 2022 (Continued)

	2022	2021
	£	£
3. Subscriptions and donations		
Subscriptions	21,099	17,426
President's donation	3,000	-
Sponsorship and awards	913	1,422
	<hr/> 25,012	<hr/> 18,848
4. Income from charitable activities		
Registration fees	27,678	23,690
Private Herd Books, Volumes etc.	4,350	4,155
<i>The Journal</i> : Advertising	1,934	2,537
Auction levies	3,684	6,021
Auction commission	3,684	6,021
Transfer fees	1,180	1,538
Steer pedigree certificate	4,932	4,902
Prefix fees	350	600
	<hr/> 47,792	<hr/> 49,464
5. Income from commercial operations		
Rental income	1,460	-
Catering income	12,272	-
Website advertising	80	40
Other income	237	773
	<hr/> 14,049	<hr/> 813
6. Investment income		
Income from National Savings Bank	80	3
Bank interest	350	21
	<hr/> 430	<hr/> 24

Welsh Black Cattle Society

Notes to the financial statements for the year ended 31 December 2022 (Continued)

7. Total Resources expended

	Total 2022 £	Total 2021 £
Wages	16,045	16,052
Redundancy	-	1,961
ABRI Breed Plan	11,424	3,772
Printing of Herd Book	4,125	-
Publicity	2,680	2,894
Sundry printing	3,351	4,212
Expenditure at shows, auctions and events	2,065	1,854
Photographs and engraving	268	240
Travel costs	68	1,660
Semen purchase and collection	337	-
Depreciation	3,268	4,863
Governance costs	6,061	7,846
Support costs	28,403	29,115
	<hr/> 78,095	<hr/> 74,469

Analysis of governance and support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. All costs are in respect of the charity's principal objectives.

	General Support £	Governance Function £	Total 2022 £	Total 2021 £
Salaries	6,685	4,011	10,696	13,198
Rent, rates and lighting	5,998	-	5,998	4,950
Insurances	2,709	-	2,709	2,439
Meetings	-	-	-	200
Website	491	-	491	1,123
Stationery, postage and telephone	5,535	-	5,535	7,838
Software	1,714	-	1,714	1,584
Subscriptions	535	-	535	77
Independent examination	-	2,050	2,050	2,095
Professional fees	500	-	500	1,735
Repairs and renewals	593	-	593	124
Bank charges	247	-	247	107
Bad debts	872	-	872	-
Depreciation	422	-	422	426
Other	2,102	-	2,102	1,065
	<hr/> 28,403	<hr/> 6,061	<hr/> 34,464	<hr/> 39,961

Welsh Black Cattle Society

Notes to the financial statements for the year ended 31 December 2022 (Continued)

8. Analysis of staff costs, trustee remuneration and expenses and the costs of key management personnel.

	2022 £	2021 £
Wages and salaries	26,203	29,125
Pension costs	540	125
	<u>26,743</u>	<u>29,250</u>

The average number of full-time equivalent employees was 2 (2021 - 2). No employees had employee benefits in excess of £60,000. There were no prepaid pension payments or accruals of pension costs at the year-end (2021 – NIL)

The key management personnel of the charity are its trustees. No fees or salaries were paid to any trustees during the year (2021 – NIL). No repayments were made to any trustee for expenses incurred (2021 – NIL). No charity trustee received payment for professional or other services supplied to the charity (2021 – NIL).

9. Fixed assets

	<i>Land and Buildings</i> £	<i>Furniture and Equipment</i> £	<i>Total</i> £
Cost			
At 1 January 2022	163,376	51,066	214,442
Additions	-	-	-
At 31 December 2022	<u>163,376</u>	<u>51,066</u>	<u>214,442</u>
Depreciation			
At 1 January 2022	43,853	49,408	93,261
Charge for the year	3,268	422	3,690
At 31 December 2022	<u>47,121</u>	<u>49,830</u>	<u>96,951</u>
Net Book Value			
At 31 December 2022	<u>116,255</u>	<u>1,236</u>	<u>117,491</u>
At 31 December 2021	<u>119,523</u>	<u>1,658</u>	<u>121,181</u>

Welsh Black Cattle Society

Notes to the financial statements for the year ended 31 December 2022 (Continued)

10. Investments

	Opening Balance	Transferred	Closing balance
	£	£	£
National Savings Bank Investment Account	23,386	71	23,457
National Savings Bank Income Bonds	6,000	-	6,000
	<hr/>	<hr/>	<hr/>
	29,386	71	29,457

All the investment assets are in the United Kingdom.

11. Debtors

	2022 £	2021 £
Trade Debtors	17,116	17,802
Other debtors	15,531	5,507
	<hr/>	<hr/>
	32,647	23,309
	<hr/>	<hr/>

12. Cash at Bank and in Hand

	2022 £	2021 £
General Account	5,963	9,668
Deposit Account	212,129	201,780
Breed Development Account	129	129
Cash in hand	50	50
	<hr/>	<hr/>
	218,271	211,627
	<hr/>	<hr/>

13. Creditors: amounts falling due within one year

	2022 £	2021 £
Taxation and social security	2,291	2,593
Accruals	15,454	11,977
	<hr/>	<hr/>
	17,745	14,570
	<hr/>	<hr/>

Welsh Black Cattle Society

Notes to the financial statements for the year ended 31 December 2022 (Continued)

14. Corporation Tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

15. Funds

Unrestricted funds

	Balance 31 December 2021 £	Income £	Expenditure £	Balance 31 December 2022 £
General Fund	371,933	87,283	78,095	381,121

Unrestricted funds – previous year

	Balance 31 December 2020 £	Income £	Expenditure £	Balance 31 December 2021 £
General Fund	373,458	72,944	74,469	371,933

16. Analysis of Fund Balances between Net Assets as at 31 December 2022

General Fund	Total 2022 £	Total 2021 £
Fixed assets	146,948	150,567
Cash at bank and in hand	218,271	211,627
Other net current assets	15,902	9,739
Total Net Assets	381,121	371,933

Sufficient resources are held to enable each fund to be applied in accordance with the restrictions imposed.

Welsh Black Cattle Society

Notes to the financial statements for the year ended 31 December 2022 (Continued)

17. Prior Year Statement of Financial Activities for the year ended 31 December 2021

	2021 £	2020 £
<i>Income</i>		
Subscriptions and donations	18,848	22,386
Income from charitable activities	49,464	45,509
Income from commercial operations	813	509
Investment income	24	914
Other income	3,795	24,402
Total Income	<u>72,944</u>	<u>94,720</u>
<i>Expenditure</i>		
Expenditure on charitable activities	<u>74,469</u>	<u>75,427</u>
Net expenditure and net movement in funds for the year	(1,525)	19,293
<i>Reconciliation of funds</i>		
<i>Total funds brought forward</i>	<u>373,458</u>	<u>354,165</u>
<i>Total funds carried forward</i>	<u>£371,933</u> =====	<u>£373,458</u> =====

All gains and losses recognised in the year are included in the Statement of Financial Activities.
All income and expenditure derive from continuing activities.