

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND**

(Company limited by guarantee and not having a share capital)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND**

**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Trustees present their report and the financial statements of the charity for the year ended 31st December 2022. The trustees have adopted the provisions of the Statements of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the Charities Act 2011 and Accounting and Reporting by Charities: Statements of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland in October 2019.

Reference and administration information

Charity name: Shorthorn Society of the United Kingdom of Great Britain and Ireland

Charity registration number: 213216

Company registration number: 9597

Directors/Trustees

P Armstrong
I R G Collins
D H Craig
Mrs E A Davies
S E Dixon
J R Fisher
G James
R G Kite
D Madeley
N Madeley
Miss F Mannerings
R S T Morgan - Retired
T C Moscrop
J R Osborne
A Reilly
A G Rothen
S Royle - Retired
Mrs S H M Slade
S V B Thomas
D Wainwright
A H J Whittle
D Winnington
J P Wyatt
Mrs W A Young

President

D Winnington

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND**

**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Registered office and
Operational address:**

Society Pavilion
Avenue M
Stoneleigh Park
Kenilworth
Warwickshire
CV8 2RG

Company Secretary

Mrs R E Rimmer

Independent Examiner

W.O.R. Benoy FCA

Bankers

HSBC Bank plc. Coventry

Activities and charitable objects

The principal activity and charitable objects of the Society are to encourage, promote and improve the breeding of Shorthorn cattle in the United Kingdom of Great Britain and Ireland, or elsewhere, and to compile and maintain a Herd Book of recognised and pure-bred Shorthorn cattle.

Public benefit

The trustees consider they have complied with their duty to have due regard to the guidance on public benefit, as published by the Charity Commission, in exercising their powers and duties.

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND**

**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

Achievements and performance

Income and expenses were much higher in 2022 due to the hosting of the Shorthorn World Conference. It was a significant year for The Shorthorn Breed as it celebrated 200 years of the Coates Herd Book, which is the oldest herd book in the world. To celebrate this momentous achievement the UK hosted the Shorthorn World Conference and a 2 week tour of the country. The organising committee sourced a large amount of sponsorship for the event, after the event there was excess sponsorship left over which has been received by The Shorthorn Society to use as a source of funding for Youth Development going forward.

The milk prices in 2022 topped at around 50 ppl towards the end of the year and although Dairy Farmers have seen a huge increase in input costs, a good margin was achieved by most milk producers. The positivity in the market and industry reflected in the increase in registrations received by the Society in 2022.

The Society's subsidiary company Shorthorn Sires Ltd continues to build on its success, because of the demand and need for sexed semen, the directors of Shorthorn Sires made the big decision to take 3 new bulls on at once to help meet demand, so although there was no profit in Shorthorn Sires for 2022, it has ensured a good supply sexed semen going forward, and enable strategic planning to as and when to take on new bulls in the coming year.

Society Staff in 2022 comprised of a salarised office manager/administrator, Part time bookkeeper/breed manager, Part time Field Officer and Part time publicity manager.

Promotion of the breed continued in many formats during 2022, from Shows, advertising in the farming press, livestock market & sales, continuing with the posting out of the successful semen brochure along with newsletters, photographic competition, and the continued networking with industry contacts.

As 2022 expenses for shows were up significantly due to all shows returning to normal after the COVID pandemic and extra costs above normal incurred due to holding the National show at the Great Yorkshire Show in 2022 as part of the World Conference Tour.

Social media continues to be a big factor in our promotion and communication with members with many referring to it for show results and market sales reports, very positive feedback is received about the Shorthorn Social Media from both old and young alike and other breed societies.

Financial Review

The surplus for the year amounted to £6,599. This amount has been added to reserves brought forward leaving fund balances of £403,402 at the end of the year. The Trustees consider the results to be satisfactory.

Reserves Policy

The Society aims to hold financial reserves that cover up to one years outgoing resources. At 31 December 2022 the Society held free reserves of £387,371.

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND**

**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

Structure, Governance and Management

Governing document

The society is a charitable company limited by guarantee and does not have a share capital. The society was incorporated on 15 June 1875 and registered as a charity on 8 January 1963. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed by its Articles of Association.

Recruitment and appointment of the Council

The directors of the company are also charity trustees for the purpose of charity law under the company's Articles are known as members of the Council.

Each year some council members retire by rotation and are eligible for re-election. They are elected by a ballot of those members entitled to vote.

Trustees induction and training

New Trustees are briefed by the President on their obligations as Council members and the future plans and objectives of the Society. Minutes of previous meetings are also available for new Council Members upon request.

Risk review

The trustees have conducted a review of the major risks to which the charity is exposed and have established systems to mitigate these risk.

Every effort is made to ensure that all risks are kept to minimum. The Council consider that insurance cover and reserves are adequate to ensure the continued operation of the Society in the event of the occurrence of any unexpected incident.

The uncertainty over the COVID-19 pandemic presents risks to the Society's operations and income streams. The Trustees review and monitor these on an ongoing basis.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees on 27 September 2023, and signed on its behalf by:

A H J Whittle, Director/ Trustee

**INDEPENDENT EXAMINER REPORT TO THE TRUSTEES OF
SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2022, which are set out on pages 6 to 15.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of the company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('The 2011 Act'). In carrying out my examination I have followed the 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 can confirm that no 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 in respect of the company as required by section 386 of the 2006 Act; or
- 2** the accounts do not accord with those records; or
- 3** the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4** the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)

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.

W O R Benoy BSc FCA
Montacs
International House
Kingsfield Court
Chester Business Park
Chester
CH4 9RF

Dated: 27 September 2023

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

		2022		2021	
	Notes	Unrestricted funds	Restricted funds	Total funds	Total funds
		£	£	£	£
Income and endowments from:					
Donations and legacies	6.1	70,516	-	70,516	55,636
Charitable activities	6.2	76,524	63,957	140,481	66,557
Investments	6.3	8,733	-	8,733	8,131
Total		155,773	63,957	219,730	130,324
Expenditure on:					
Raising funds	7.1	87,332	-	87,332	74,029
Charitable activities	7.2	27,326	50,322	77,647	22,073
Total		114,658	50,322	164,979	96,102
Net (losses)/gains on investments		-48,151	-	-48,151	40,269
Net income/movement in funds		-7,036	13,635	6,599	74,491
Reconciliation of funds:					
Total funds brought forward		396,803	-	396,803	322,312
Total funds carried forward	12	389,767	13,635	403,402	396,803

The notes on pages 8 to 15 form an integral part of these financial statements.

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND**

**BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Intangible assets	10	5	5
Tangible assets	9	2,396	1,594
Investments	11	231,571	279,856
Total Fixed assets		233,972	281,455
Current assets:			
Stocks		-	-
Debtors	12	100,086	38,855
Charities deposits		9,017	8,929
Cash at bank and in hand		95,003	120,843
Total current assets		204,106	168,627
Liabilities:			
Creditors: Amounts falling due within one year	13	34,675	53,279
Net current assets or liabilities		169,430	115,348
Total assets less current liabilities		403,402	396,803
Creditors: Amounts falling due after more than one year		-	-
Total net asset or liabilities		403,402	396,803
The funds of the charity:			
Restricted income funds	14	13,635	-
Unrestricted funds	14	389,767	396,803
Total charity funds		403,402	396,803

The charitable company is entitled to exemption for audit under section 477 of the Companies Act 2006 for the year ended 31st December 2022.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors and trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of the accounts.

These financial statements have been prepared in accordance with the provisions applicable to small companies' subject to the small companies' regime and in accordance with FRS 102 SORP.

The financial statements were approved by the Council on 27 September 2023 and were signed on its behalf by:

A H J Whittle, Director/Trustee

The notes on pages 8 to 15 form an integral part of these financial statements.

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information and basis of preparation

The Shorthorn Society of the United Kingdom of Great Britain and Ireland is a private company, limited by guarantee, registered in England and Wales. The address of the registered office is given in the charity information on page 2 of these financial statements.

The nature of the charity's operations and principal activities are to encourage, promote and improve the breeding of Shorthorn cattle in the United Kingdom of Great Britain and Ireland, or elsewhere and to compile and maintain a Herd book of recognised and pure bred Shorthorn cattle.

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Charities Act 2011, the Companies Act 2006, and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling (£) which is the functional currency of the charity and rounded to the nearest pound.

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

2. Accounting policies

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Restricted funds can only be used in accordance with the restriction imposed upon them.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Investment income is earned through holding assets of investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent is recognised as the charity's right to receive payment is established.

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (Cont'd)

Gift aid payments

Gift aid payments are recognised as distributions to owners from retained earnings with there being no legal obligation to make payments.

The accounting policy for gift aid payments also results in the company recognising a taxation charge on it's profits for the year. However, the application of the exception under paragraph 29.14A of FRS 102 provides relief in respect of the accounting for the tax charge. This results in an overall nil impact on the charge for tax in the Income Statement. This exception is only applicable as it is probable that the gift aid payment will be made by the company to the parent charity within 9 months of the reporting date.

Expenditure recognition

All expenditure is accounted for on accrual basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably.

Intangible fixed assets

The intangible fixed asset compromises the copyright of the Coates Herd Book and is stated at cost.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

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

Leasehold buildings	Written off in 2020
Equipment	10% - 20% straight line

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SOFA if the shares are publicly traded or their value can otherwise be measured reliably. Other investments are measured at cost less impairment.

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (Cont'd)

Stocks

Stock has been valued at the lower of cost and net realisable value.

Debtors and creditors receivable/payable within one year

Debtors and creditors stated with no interest rate and receivable or payable with one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Operating leases

Rentals payable and receivable under operating leases are charged to the SOFA on a straight line basis over the period of the lease.

Pensions

The company operates defined contribution pension schemes. Contributions payable during the year are charged in the statement of financial activities in the period to which they relate.

Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated using the closing rate.

Related company and consolidation

The company owns 100% of the issued ordinary share capital of Shorthorn Sires UK Limited (incorporated in the United Kingdom). The company and its subsidiary comprise a small group. The company has therefore taken advantage of the exemption provided by section 398 of the Companies Act 2006 not to prepare group accounts.

3. Net Income

	2022 £	2021 £
Net income is stated after charging		
Depreciation of tangible fixed assets	628	530
Operating lease costs	954	993
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4. Independent Examiners Remuneration

The Independent examiners remuneration amounts to an independent examination fee of £2,150 and other services of £2,045.

5. Trustee remuneration and other benefits

No trustees' remuneration or other benefits were paid during the year.

Reimbursed travel expenses	<hr/>	<hr/>
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**SHORTHORN SOCIETY OF THE UNITED KINGDOM
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Income

	2022 Unrestricted funds £	2022 Restricted funds £	2021 Unrestricted funds £
6.1 Donations and legacies	70,516	-	55,636
6.2 Charitable activities			
Member subscriptions	13,375	-	13,797
Herd book entry fees	22,272	-	21,940
Classification fees	5,797	-	5,044
Other fees	310	-	325
Coates' herd book	100	-	40
Shorthorn Journal	7,799	-	6,960
Merchandise	528	-	259
Shows and Events	793	-	575
Sundry Income	2252	-	117
Insurance claims	316	-	-
Management Fees	22,983	-	17,500
Sponsorship of WSH 2022	-	63,957	-
	<u>76,524</u>	<u>63,957</u>	<u>66,557</u>
6.3 Investment Income			
Interest on deposits	87	-	151
Dividend Income	8,646	-	7,980
	<u>8,733</u>	<u>-</u>	<u>8,131</u>
Total Income	<u>155,773</u>	<u>63,957</u>	<u>130,324</u>

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Expenses

	2022 Unrestricted funds £	2022 Restricted funds £	2021 Unrestricted funds £
7.1 Raising funds			
Salaries and national insurance	19,930	-	19,186
Breed secretary's fees and expenses	26,640	-	25,620
Social media fees and expenses	3,510	-	3,974
Rent and rates	8,060	-	5,653
Insurance	2,123	-	2,118
Telephone and postage	5,630	-	2,848
Printing and stationery	6,402	-	523
Repairs and maintenance	3,227	-	5,213
Bank charges	789	-	1,015
Sundry expenses	468	-	294
Lease of equipment	954	-	993
Council meetings expenses	4,186	-	343
Independent examination	4,195	-	3,800
Legal and professional fees	590	-	1,919
Depreciation	628	-	530
	<u>87,332</u>	<u>-</u>	<u>74,029</u>
7.2 Charitable activities			
Shorthorn journal	6,940	-	6,531
Shows and events	12,110	-	2,427
Classifications	5,558	-	5,139
Merchandise	804	-	440
Publicity	1,449	-	6,435
Breed development	465	-	1,101
WSC 2022 Expenditure	-	50,322	-
	<u>27,326</u>	<u>50,322</u>	<u>22,073</u>
Total Expenditure	<u>114,658</u>	<u>50,322</u>	<u>96,102</u>

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Staff numbers and costs

The average number of persons employed by the Society during the year was:

	2022	2021
Administration	1	1
Staff costs were:	£	£
Salaries and subcontract	19,352	18,630
Employee pension	578	556
	<u>19,930</u>	<u>19,186</u>

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

9. Tangible fixed assets

	Equipment £	Total £
Cost		
At 1 January 2022	7,851	7,851
Additions	1,430	1,430
Disposals	-	-
At 31 December 2021	<u>9,281</u>	<u>9,281</u>
Depreciation		
At 1 January 2022	6,257	6,257
Charge in the year	627	627
Disposals	-	-
At 31 December 2022	<u>6,885</u>	<u>6,885</u>
Net Book value		
At 31 December 2022	2,396	2,396
At 31 December 2021	1,594	1,594

10. Intangible fixed assets

Copyright at cost - Coates' Herd Book	<u>5</u>	<u>5</u>
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**SHORTHORN SOCIETY OF THE UNITED KINGDOM
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Investments

	2022	2021
	£	£
Listed investments held 1 January 2022	278,856	238,587
Purchases at cost	2,278	-
Sales proceeds	-2,412	-
Revaluation	-48,151	40,269
Listed investments held 31 December 2020 (all quoted on a recognised stock exchange)	230,571	278,856
Shares in group company	1,000	1,000
	<u>231,571</u>	<u>279,856</u>

12. Debtors

Trade Debtors	14,358	20,777
Prepayments	2,485	4,036
Amounts owed by group company	43,243	14,042
Loan - SSUK	40,000	-
	<u>100,086</u>	<u>38,855</u>

13. Creditors

Trade Creditors	6,092	4,953
Sundry Creditors	14,265	-
Accruals & Deferred Income	8,229	44,562
VAT Liability	5,106	3,182
Taxation and social security	983	582
	<u>34,675</u>	<u>53,279</u>

14. Funds

Total funds of £403,402 consists of £389,767 unrestricted funds and £13,635 restricted funds.

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Related company and consolidation

The Society owns 100% of the issued share capital of Shorthorn Sires Limited, formley Red Cattle Genetics (Stoneleigh) Limited (incorporated in the United Kingdom) which sells Shorthorn semen. Its trading results for the year, as extracted from the unadited accounts are as follows:

	2022	2021
	£	£
Turnover	129,281	144,668
Cost of sales	-96,824	-48,476
Gross profit	32,457	96,192
Administrative expenses	-32,531	-25,676
	-74	70,516
Interest receivable	1	-
Profit for the Financial Year	-73	70,516
Gift Aid donation	70,516	54,027
Retained income	-70,589	16,489
Reserves 1 January 2022	79,810	63,321
Reserves 31 December 2022	9,221	79,810