

REGISTERED COMPANY NUMBER: 00012100 (England and Wales)
REGISTERED CHARITY NUMBER: 217428

Report of the Trustees and
Financial Statements
for the Year Ended 30 June 2021
for
The Hereford Cattle Society

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

The Hereford Cattle Society

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for the Year Ended 30 June 2021

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The Hereford Cattle Society

Report of the Trustees for the Year Ended 30 June 2021

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 30 June 2021. 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 and aims

The Society is established to maintain unimpaired the purity of, and improve the breed of, cattle known as Herefords and to promote impartially the breeding of all the various tribes, families and strains of such cattle.

The Society's promotional activities during the year have been aimed at developing the market for pedigree and commercial Hereford cattle and building increased awareness of the Hereford beef brand to consumers.

To achieve its objectives, the Society has participated in numerous promotional events throughout the country Covid-19 permitting.

The Society has adopted an internationally renowned recording and performance programme to provide breeders and users of the breed with appropriate information for the improvement, furtherance and expansion of the breed.

The Society's plans for the future are to continue the promotion and expansion of the breed both domestically and internationally. With the expanding export market, the Society plans, with the benefits of data from its cattle performance programme, to promote the breed overseas in order to establish export markets.

Public benefit

The trustees consider that they have complied with the duty in section 4 of the Charities Act 2011, in having due regard to public benefit.

In this regard, the Society implements Breed Improvement Schemes to facilitate the economic and efficient production of beef, constantly taking into consideration eco friendly systems of extensive food production using, whenever and wherever possible, natural resources.

The Hereford is a Breed renowned internationally for its ability to utilise natural grazing areas of the World to produce high quality beef economically. The Society will continue to promote this aspect of the Breed so as to increase its use with the aim of assisting the farming industry to meet the extremely challenging financial constraints put upon them in the current period of austerity.

STRATEGIC REPORT

Achievement and performance

Having served on council for many years I have witnessed many challenges within the Hereford breed and across the farming industry. The last 12 months we have seen considerable challenges as we have all had to deal with the effects of Covid 19. As an aside from the devastating loss of life, the effects of this deadly virus have been far reaching. As with all breed societies we aim to facilitate events across the UK for the benefit of members' businesses and social lives but unfortunately this has not been possible.

With the cancellation of many summer shows and events we have seen a slight reduction in new members elected but the actual membership has increased which is encouraging due to the set of circumstances that we have been faced with.

The Council

As chairman of council I wish to express my sincere thanks to all council members for their support and dedication, none more so than your president Mark Roberts. It is perhaps prudent of me to state that council members as trustees of the society freely give up their time and energy for the benefit of all members. This year we saw a new council elected for a three year term.

Paul Sneyd has been appointed in the new position as director of operations of the Hereford Cattle Society and has taken on the role of managing the society and its office.

Having worked across a number of agricultural and horticultural businesses, Paul has spent the last two years working for Jupiter Group managing its grower portfolio and running a project in India. Prior to that, he spent eight years in a senior management role in Haygrove Growing Systems within Haygrove Ltd which is a farming business supplying the best retailers in the UK, Europe, South Africa and China with berries all-year-round.

We were very disappointed and surprised to lose the services of David Deakin in May, so soon after the set up of the new team in February. He contributed a huge amount to the progress we have made in recent years and his departure was not what any of us wanted.

The Society has launched its new identity, including a unique logo and improved website.

With a striking, modern brand, the society is setting itself apart, and looks to the future as a proactive organisation, with a strong membership base.

In 2020, there were over 1,000 active pedigree Hereford breeders across England, Northern Ireland, Scotland and Wales, an increase of nearly 60 per cent over the last 10 years.

Your council has initiated and supported some significant projects during the year, most notably the Sustainability project which is being led by Dr Liz Genever. Hereford cattle society is the first cattle society to work to prove its breed's sustainable merits to the wider beef industry, retailers, food industry and the consumer.

Hereford cattle are known for their ability to grow and finish off grass. With the environment becoming increasingly important for every stage of the beef supply chain, the society is seeking to cement some of the benefits of the breed.

Working with Dr Liz Genever, beef and sheep specialist, members are recording the efficiency of their breeding females and therefore environmental impact to confirm the benefits of Herefords when compared to industry averages. Nearly 2,000 cows are being assessed for cow fertility, calf survival and growth rates to weaning.

In addition, carbon audits are being carried out to gauge the carbon footprint across its membership and commercial systems utilising the breed. Soil organic matter levels are also being taken into account, and therefore carbon storage, and this information will be benchmarked against the industry to confirm the benefits Herefords bring to a system.

A review of genetic trends is being conducted with the aim of providing guidance for members who are performance recording on areas of focus to ensure the Hereford dam becomes even more suited to future beef production.

Council made the decision to move from its traditional auctioneers in Hereford to Halls in Shrewsbury where we had a very successful spring sale.

The Hereford Cattle Society

Report of the Trustees for the Year Ended 30 June 2021

Hereford beef marketing campaign continues to receive considerable funding from ring -fenced levy income with a renewed focus on how it can be improved and support our members from a farm gate perspective. This should result in greater exposure of Hereford beef to consumers through high profile social media posts, press releases in distinguished publications and a strong sustainability message from the work that is currently being done.

Your council has also introduced work with ABRI (Breedplan) to implement a new DNA module which will be added to the society's ILR2 system. The new module will automate some of the data input required, while also allowing system reports to be produced more easily. The data transfer is now in place to start and look at progressing with genomics.

The Thomas Duckham award was presented at the end of 2020. The competition is held every three years and judged by the retiring council at the end of their session, selecting the association considered to have made the greatest contribution to the promotion of the breed during the three years.

We depend on our eight local associations to promote the breed in local areas across the country, providing a network of support, private sales and promotional activities. They have all done a great job through the pandemic, via zoom meetings and the like, and none more so than the NEHBA in the view of council. They were awarded the Thomas Duckham award for exceptional work in their area.

Shows, Sales & Events

As previously mentioned the global pandemic has had a devastating effect on many events in the financial year, with the majority of summer events being cancelled.

It was pleasing to see the spring Parade and sale go ahead at Shrewsbury where there was a record average for show females of £3,934 with a clearance of 93% and the second highest average for bulls of £4,027 with a clearance rate of 91%

Carlisle show saw a good turnout where bulls led the Hereford section at Harrison and Hetherington's pedigree beef day, with the top call of 4,000gns.

With a new format for the Royal highland show to accommodate with Covid regulations it was great to see so many Hereford cattle entries.

Hereford Beef

As mentioned earlier in this report we continue to market Hereford beef and at present this is done through PR agency, Storm. We are currently re-evaluating how we can do things better with our marketing and have asked a number of agencies to tender for our work for the next 12 months. Due to the pandemic and how this has influenced consumer behaviour it was decided that this was a good opportunity to look at how we could market ourselves differently but also incorporating the great work being done by Dr Liz Genever on our sustainability approach.

UK Hereford Youth (UKHY)

Due to the ongoing Coronavirus pandemic UK Hereford Youth are still awaiting the opportunity to host a face-to-face event, be that a workshop or social gathering. There has however, been some online activities to stay in touch with our members over the past year.

They celebrated birthdays and achievements as usual, with some members reaching milestone birthdays; Harvey Cloke was 18. Sophie Harvey featured in The Scottish Farmer as a woman in Agriculture discussing her success in the show ring and thoughts on the industry which was a great read.

October saw many of our young members exhibiting cattle at The Autumn Hereford Day. It was great to catch up with them and find out their latest news. Finlay and Isla Soutter made their dancing debut (thanks to Dad and TikTok) which went viral.

As the pandemic hit a real low around Christmas UKHY sent some positive cheer with Christmas cards to all members, and new overseas friends. Eifion James made the Facebook page in January with his news on receiving a Blue Peter Badge for telling them all about his Herefords.

Restrictions were still in place in February so ten young members attended the first online quiz. There were five rounds, including a 'caption this' round. James Ludgate was overall winner, with Will Harrison in 2nd place and Charlotte and James Anderson in 3rd.

The Hereford Cattle Society

Report of the Trustees for the Year Ended 30 June 2021

Other highlights include Matthew Rollason being the first UKHY member to commentate on a Spring Parade and Sale, our new gilets were launched, and an evening was spent with young members from The Irish Hereford Breed Society via zoom. Eleven young members participated in the MEAHBA virtual stock judging competition with Finlay Soutter being the winner of the young member section and Marcus Murdock and Ollie Garnett-Smith a joint second.

Financial Report

This year saw an expenditure on legal fees of £56,558 which incorporated £16k of recruitment fees but does illustrate some of the legal challenges the society is having to fight. As was reported last year rental income has increased due to full occupancy of the offices and is up £10,548 on the previous year bringing the total income for rentals to £83,908.

Your council also allocated £27,000 to the sustainability project and £24,000 to the promotion of Hereford beef.

On 1st July last year the Society's investment portfolio stood at £560,324; as at 30th June 2021 it was valued at £749,993 an increase of 22% when taking into account an additional £65,000 added to the portfolio over the past twelve months. Over the same period the FTSE All Share has increased 18%. This is a pleasing out-performance given market conditions last year, combined with the de-risking of the investment portfolio over the period. A little over 20% of the portfolio is now held in bonds or alternative investments, whilst maintaining an income yield of 3.4%.

In November year last whilst the nation moved towards a third lockdown, the stock market started its recovery with the FTSE All Share increasing by 8% from October to December triggered by positive vaccine announcements. The market momentum continued with the All Share increasing by a further 7% from April to June as the vaccination rollout gathered pace. Globally, markets have continued to recover on the consensus belief of sustainable higher global growth rates, transitional inflation and ever friendly Central Bank policy. A recovery in global growth along with loose monetary policy looks likely to be maintained, but inflation is a serious cause for concern. On the ground evidence would indicate that inflationary pressures will not be transitory. History has proved that persistent inflationary pressures often starting with commodities and prices at the factory gate can soon spread to consumer prices and wages. Persistent inflation, if not dealt with swiftly by the Central Banks would soon put an end to any recovery in global growth rate as well as loose monetary policy. The Society's portfolio is defensively positioned in the belief that inflationary pressures will persist and loose monetary policy come to an end.

Staff

The combined cost of staff salaries and pensions has increased from £158,278 (2020) to £182,742 (2021).

In February the society recruited Paul Sneyd as director of operations to oversee the running of Hereford house and its operation activities which is the reason for the increase in salaries.

It is customary for the chairman to thank staff on behalf of the membership as we complete another 12 months of activities but during these unprecedented times we must give a special thanks to our staff, Paul, David, Tracey, Laura and Beverley for ensuring that the society continued as normal in the challenging times.

Financial review

Investment policy and objectives

Council uses its investment advisors to meet its requirements, which is to generate income. This has been achieved with a mix of equity and fixed return investments. Council is satisfied with the returns achieved given current market conditions.

Reserves policy

It is the policy of the charity to maintain unrestricted funds at a level, which equate to approximately 12 months' unrestricted expenditure. The trustees consider that the ideal level of reserves as at 30th June 2021 would be £500,000. This provides sufficient funds to cover management and administration and support costs. Unrestricted funds are maintained at least at this level throughout the year.

The financial results for the charity are as detailed in the Statement of Financial Activities on page 13 and the Balance Sheet on page 14. The Charity had net incoming resources in the year of £186,329 (2020 - £177,548) resulting in total assets of £1,665,850 (2020 - £1,479,521). All funds are unrestricted and are available for the general purposes of the Society.

The Hereford Cattle Society

Report of the Trustees for the Year Ended 30 June 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Society is a company limited by guarantee and not having a share capital. As such it is governed by its Memorandum and Articles of Association. It was incorporated on 5 March 1878. It is registered as a charity with the Charity Commission.

Appointment of Council Members

A Council of 16 members is elected by the general membership at 3 yearly intervals and meet with the Director of Operations regularly. The Council make all policy decisions. The Director of Operations is responsible for carrying out these policies and for all office administration procedures.

Council Members must, at the time of their election, be actual breeders of Hereford Cattle (as defined in the Memorandum and Articles) and are elected on an area basis.

As and when new Council Members (Trustees) are elected, they are provided with all appropriate guidelines for the trusteeship. They are made aware of their legal obligations under charity and company law, and the Charity Commission guidance on public benefit. They are informed of the content of the Memorandum and Articles of Association, decision-making processes and the recent financial performance of the Society.

None of the Council Members receive remuneration or other benefit from their work with the Society.

Pay Policy for Senior Staff

The pay of all staff is reviewed annually and normally increased in accordance with average earnings. All pay awards are approved at Council meetings.

Risk Management

The Council Members actively review the major risks, which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions.

The Council Members have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
00012100 (England and Wales)

Registered Charity number
217428

Registered office
Hereford House
3 Offa Street
Hereford
HR1 2LL

The Hereford Cattle Society

Report of the Trustees for the Year Ended 30 June 2021

Trustees

Council Members

The Council members during the year were:

Mr P Allman (Chairman)

Mrs A Anderson - resigned 31.12.20

Mr M Clark

Miss J Cooper - elected 01.01.21

Mrs S Cowle - elected 26.06.21

Mr J Graham - elected 01.01.21

Mr M Harris - resigned 26.06.21

Mr T Harrison - resigned 31.12.20

Mr J Hodge - elected 01.01.21

Mr G Harvey - elected 23.03.21

Mr R Irvine - resigned 31.12.20

Mr M Jenkins

Mr A Jones - elected 01.01.21

Mr T Livesey - resigned 02.03.21

Mr A Massey

Mr W Milner - resigned 30.11.20

Mr J Moorhouse

Mr G Pritchard - resigned 31.12.20

Mr C Roberts (President)

Mr D Smyth

Miss E Thorne

Mr P Vincent - resigned 26.06.21

Mr R Wilson - resigned 31.12.20

President

Mr C Roberts

The president is elected annually by Council and is a Member of Council only for the period in which he/she holds office, unless a Member prior to his/her election.

Vice President

Mrs C Fletcher

Director of operations

Mr P Sneyd - appointed 01.02.21

Breed Secretary

Mr D Deakin - resigned 12.05.21

Key Management

Miss L Bowyer

Mr D Deakin - resigned 12.05.21

Mr P Sneyd - appointed 01.02.21

Ms T Thomas

Mrs B Turner

Auditors

Thorne Widgery Accountancy Ltd

Chartered Accountants

Statutory Auditors

2 Wyevale Business Park

Kings Acre

Hereford

Herefordshire

HR4 7BS

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

T A Matthews & Co
First Floor Broadway House
32 - 35 Broad Street
Hereford
HR4 9AR

Bankers

Natwest
12 Broad Street
Hereford
HR4 9AH

Investment Advisors

Canaccord Genuity Wealth Management
41 Lothbury
London
EC2R 7AE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Hereford Cattle Society 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

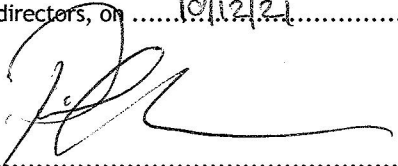
AUDITORS

The auditors, Thorne Widgery Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The Hereford Cattle Society

Report of the Trustees
for the Year Ended 30 June 2021

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on10/12/21..... and signed on the board's behalf by:



.....

P Allman - Trustee

Report of the Independent Auditors to the Members of
The Hereford Cattle Society

Opinion

We have audited the financial statements of The Hereford Cattle Society (the 'charitable company') for the year ended 30 June 2021 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 30 June 2021 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

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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Report of the Independent Auditors to the Members of
The Hereford Cattle Society

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.

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:

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- o Enquiring of council members, management and inspection of policy documentation as to the Charity's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- o Reading Council Members' meeting minutes.
- o Considering performance targets for management.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is non-judgemental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks. We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by finance management/ those posted and approved by the same user/ those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with management (as required by auditing standards) and discussed with management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, the Charities Act legislation and guidance issued by DEFRA and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charity is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Charity's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, data protection, anti-money laundering and specific areas of other legislation recognising the nature of the Charity's activities.

Report of the Independent Auditors to the Members of
The Hereford Cattle Society

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management, inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.



Mrs Lisa Weaver FCCA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:13/12/21.....

The Hereford Cattle Society

Statement of Financial Activities
for the Year Ended 30 June 2021

	Notes	Unrestricted funds £	Restricted fund £	30.6.21 Total funds £	30.6.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	734	-	734	94,772
Charitable activities	4				
Furtherance of the breed		615,560	-	615,560	583,190
Investment income	3	49,849	-	49,849	42,448
Other income		56,764	-	56,764	49,375
Total		722,907	-	722,907	769,785
EXPENDITURE ON					
Raising funds	5	3,232	-	3,232	2,901
Charitable activities	6				
Furtherance of the breed		639,189	-	639,189	613,242
Total		642,421	-	642,421	616,143
Net gains on investments		105,843	-	105,843	23,906
NET INCOME		186,329	-	186,329	177,548
RECONCILIATION OF FUNDS					
Total funds brought forward		1,476,616	2,905	1,479,521	1,301,973
TOTAL FUNDS CARRIED FORWARD		1,662,945	2,905	1,665,850	1,479,521

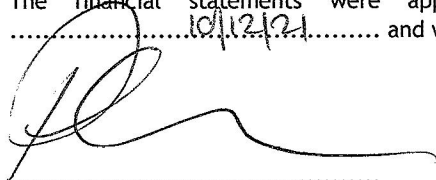
The notes form part of these financial statements

The Hereford Cattle Society

Balance Sheet
30 June 2021

	Notes	Unrestricted funds £	Restricted fund £	30.6.21 Total funds £	30.6.20 Total funds £
FIXED ASSETS					
Tangible assets	14	64,877	-	64,877	62,693
Heritage assets	15	382,050	-	382,050	382,050
Investments					
Investments	16	735,085	-	735,085	539,214
Investment property	17	350,000	-	350,000	350,000
		<u>1,532,012</u>	<u>-</u>	<u>1,532,012</u>	<u>1,333,957</u>
CURRENT ASSETS					
Stocks	18	5,958	-	5,958	6,174
Debtors	19	92,453	-	92,453	65,337
Cash at bank and in hand		84,872	2,905	87,777	101,586
		<u>183,283</u>	<u>2,905</u>	<u>186,188</u>	<u>173,097</u>
CREDITORS					
Amounts falling due within one year	20	(52,350)	-	(52,350)	(27,533)
		<u>130,933</u>	<u>2,905</u>	<u>133,838</u>	<u>145,564</u>
NET CURRENT ASSETS					
		<u>1,662,945</u>	<u>2,905</u>	<u>1,665,850</u>	<u>1,479,521</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>1,662,945</u>	<u>2,905</u>	<u>1,665,850</u>	<u>1,479,521</u>
NET ASSETS					
		<u>1,662,945</u>	<u>2,905</u>	<u>1,665,850</u>	<u>1,479,521</u>
FUNDS					
	21				
Unrestricted funds				1,662,945	1,476,616
Restricted funds				2,905	2,905
TOTAL FUNDS					
				<u>1,665,850</u>	<u>1,479,521</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 10/12/21 and were signed on its behalf by:



P Allman - Trustee



C Roberts - Trustee

The notes form part of these financial statements

The Hereford Cattle Society

Cash Flow Statement
for the Year Ended 30 June 2021

	Notes	30.6.21 £	30.6.20 £
Cash flows from operating activities			
Cash generated from operations	1	60,587	149,698
Net cash provided by operating activities		<u>60,587</u>	<u>149,698</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(7,073)	(607)
Purchase of heritage assets		-	(89,500)
Purchase of fixed asset investments		(248,350)	(235,467)
Sale of fixed asset investments		158,322	236,689
Dividends received		22,705	18,463
Net cash used in investing activities		<u>(74,396)</u>	<u>(70,422)</u>
Change in cash and cash equivalents in the reporting period		<u>(13,809)</u>	<u>79,276</u>
Cash and cash equivalents at the beginning of the reporting period		<u>101,586</u>	<u>22,310</u>
Cash and cash equivalents at the end of the reporting period		<u><u>87,777</u></u>	<u><u>101,586</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 June 2021

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

	30.6.21 £	30.6.20 £
Net income for the reporting period (as per the Statement of Financial Activities)	186,329	177,548
Adjustments for:		
Depreciation charges	4,889	4,497
Gain on investments	(105,843)	(23,906)
Dividends received	(22,705)	(18,463)
Decrease in stocks	216	3,618
(Increase)/decrease in debtors	(27,116)	12,957
Increase/(decrease) in creditors	24,817	(6,553)
Net cash provided by operations	<u>60,587</u>	<u>149,698</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.20 £	Cash flow £	At 30.6.21 £
Net cash			
Cash at bank and in hand	<u>101,586</u>	<u>(13,809)</u>	<u>87,777</u>
	<u>101,586</u>	<u>(13,809)</u>	<u>87,777</u>
Total	<u>101,586</u>	<u>(13,809)</u>	<u>87,777</u>

1. 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 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 note(s).

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the company's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The company has considered the effects of Covid 19 on their financial future and are confident there will be no significant effect on them continuing as a going concern.

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.

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 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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the Society but do not directly undertake charitable activities. Support costs include governance costs which support the Society's activities.

Intangible fixed assets

Intangible fixed assets are amortised evenly over their estimated useful lives.

Trade Mark - 5 years

Breedplan - 3 years

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation. Items are capitalised where the acquisition cost exceeds £1,000.

Depreciation is provided on all tangible fixed assets, except those described below, at rates calculated to write off the cost, less residual value, of each asset over its expected useful life, as follows:

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Motor vehicles - 25% reducing balance

Office equipment - 25% / 20% / 10% reducing balance, 20% straight line

The Council carries out a continual programme of repairs and maintenance to its freehold buildings, the cost of which is charged to the statement of financial activities. In the opinion of Council, the useful economic life of the freehold buildings is in excess of 50 years, and the programme of repairs and maintenance holds their residual value at a level that a depreciation charge would not be material.

Heritage assets

Heritage assets include oil paintings and pictures. These are stated at valuation. No depreciation is provided in respect of oil paintings and pictures as, in the opinion of Council, their value increases over time and a depreciation charge would therefore not be appropriate.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

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.

Donated goods

Donated goods are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102).

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Society; this is normally upon notification of the interest paid or payable by the bank.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

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 a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

1. ACCOUNTING POLICIES - continued

Interest receivable

Investment policy

Council uses its investment advisors to meet its requirements, which is to generate income. This has been achieved with a mix of equity and fixed return investments. Council is satisfied with the returns achieved given current market conditions.

Financial instruments

The Society 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.

Preparation of the accounts on a going concern basis

There are no material uncertainties about the Society's ability to continue. All of the Society's ability to continue. All of the Society's activities over the last 10 to 15 years have been on an upward trend and there is no indication that this will not continue. On this basis the Society is considered to be a going concern.

2. DONATIONS AND LEGACIES

	30.6.21	30.6.20
	£	£
Donations	-	92,405
Grants	734	2,367
	<u>734</u>	<u>94,772</u>

The income from donations and legacies was £734 (2020: £94,773) of which £734 was unrestricted (2020: £91,868) and £nil restricted (2020: £2,905). (Included within unrestricted fund in 2020 was a gift of heritage assets valued at £89,500.)

Grants received, included in the above, are as follows:

	30.6.21	30.6.20
	£	£
Furlough Grant	734	-
Other grants	-	2,367
	<u>734</u>	<u>2,367</u>

3. INVESTMENT INCOME

	30.6.21	30.6.20
	£	£
Rents received	27,144	23,985
Dividends	22,705	18,463
	<u>49,849</u>	<u>42,448</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	30.6.21 £	30.6.20 £
Membership income	Furtherance of the breed	88,763	85,921
Gift aid	Furtherance of the breed	14,768	13,991
Registration fees	Furtherance of the breed	239,288	242,783
Transfer fees	Furtherance of the breed	45,048	43,720
Beef scheme levies	Furtherance of the breed	51,146	66,675
Export fees	Furtherance of the breed	650	1,613
Sales and commissions	Furtherance of the breed	63,317	68,200
DNA testing	Furtherance of the breed	109,805	57,792
Herd prefix	Furtherance of the breed	2,775	2,495
		<u>615,560</u>	<u>583,190</u>

5. RAISING FUNDS

Investment management costs	30.6.21 £	30.6.20 £
Portfolio management	<u>3,232</u>	<u>2,901</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 7) £	Support costs (see note 8) £	Totals £
Furtherance of the breed	<u>569,928</u>	<u>641</u>	<u>68,620</u>	<u>639,189</u>

7. GRANTS PAYABLE

	30.6.21 £	30.6.20 £
Furtherance of the breed	<u>641</u>	<u>1,809</u>
The total grants paid to institutions during the year was as follows:		
	30.6.21 £	30.6.20 £
Area Association Grant	<u>641</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

8. SUPPORT COSTS

	Finance	Governance	Totals
	£	costs	£
Furtherance of the breed	3,184	65,436	68,620
	<u> </u>	<u> </u>	<u> </u>

9. NET INCOME/(EXPENDITURE)

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

	30.6.21	30.6.20
	£	£
Auditors' remuneration	3,760	3,650
Depreciation - owned assets	4,889	4,498
	<u> </u>	<u> </u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2021 nor for the year ended 30 June 2020.

Trustees' expenses

Council Members Expenses

Expenses totalling £2,322.88 have been reimbursed to 6 Council Members for travel expenses (2020: £2,689.48 to 8 members).

11. STAFF COSTS

	30.6.21	30.6.20
	£	£
Wages and salaries	182,742	158,278
Social security costs	12,113	12,021
Other pension costs	8,397	6,977
	<u> </u>	<u> </u>
	<u>203,252</u>	<u>177,276</u>

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

	30.6.21	30.6.20
Administration	4	5
	<u> </u>	<u> </u>

No employees received emoluments in excess of £60,000.

The key management personnel of the charity are listed under reference and administrative details. The total employee benefits that were received by the key management personnel in the year were £199,984 (2020: £167,284).

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	91,867	2,905	94,772
Charitable activities			
Furtherance of the breed	583,190	-	583,190
Investment income	42,448	-	42,448
Other income	49,375	-	49,375
Total	766,880	2,905	769,785
EXPENDITURE ON			
Raising funds	2,901	-	2,901
Charitable activities			
Furtherance of the breed	613,242	-	613,242
Total	616,143	-	616,143
Net gains on investments	23,906	-	23,906
NET INCOME	174,643	2,905	177,548
RECONCILIATION OF FUNDS			
Total funds brought forward	1,301,973	-	1,301,973
TOTAL FUNDS CARRIED FORWARD	1,476,616	2,905	1,479,521

13. INTANGIBLE FIXED ASSETS

	Certified trade mark £	Breedplan setting up costs £	Totals £
COST			
At 1 July 2020 and 30 June 2021	3,966	25,480	29,446
AMORTISATION			
At 1 July 2020 and 30 June 2021	3,966	25,480	29,446
NET BOOK VALUE			
At 30 June 2021	-	-	-
At 30 June 2020	-	-	-

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

14. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Office equipment £	Totals £
COST				
At 1 July 2020	46,645	20,798	147,941	215,384
Additions	-	-	7,073	7,073
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2021	46,645	20,798	155,014	222,457
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 July 2020	-	14,218	138,473	152,691
Charge for year	-	1,645	3,244	4,889
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2021	-	15,863	141,717	157,580
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 30 June 2021	46,645	4,935	13,297	64,877
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2020	46,645	6,580	9,468	62,693
	<hr/>	<hr/>	<hr/>	<hr/>

15. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1 July 2020 and 30 June 2021	382,050
	<hr/>
NET BOOK VALUE	
At 30 June 2021	382,050
	<hr/>
At 30 June 2020	382,050
	<hr/>

Revaluation

During December 2019 a revaluation of the Heritage Assets was performed by Brightwells Auctioneers and Valuers, Leominster. The result of the revaluation is reflected in these financial statements.

16. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 July 2020	539,214
Additions	248,350
Disposals	(142,812)
Revaluations	90,333
	<hr/>
At 30 June 2021	735,085
	<hr/>
NET BOOK VALUE	
At 30 June 2021	735,085
	<hr/>
At 30 June 2020	539,214
	<hr/>

There were no investment assets outside the UK.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

16. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 30 June 2021 is represented by:

		Listed investments £
Valuation in 2021		735,085
<hr/>		
17. INVESTMENT PROPERTY		£
FAIR VALUE		
At 1 July 2020 and 30 June 2021		350,000
NET BOOK VALUE		
At 30 June 2021		350,000
At 30 June 2020		350,000
<hr/>		
18. STOCKS	30.6.21	30.6.20
	£	£
Stocks	5,958	6,174
	<hr/>	<hr/>
19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	30.6.21	30.6.20
	£	£
Trade debtors	85,828	54,705
Prepayments and accrued income	6,625	10,632
	<hr/>	<hr/>
	92,453	65,337
	<hr/>	<hr/>
20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	30.6.21	30.6.20
	£	£
Trade creditors	34,411	11,732
VAT	11,681	13,832
Other creditors	658	415
Accruals and deferred income	5,600	1,554
	<hr/>	<hr/>
	52,350	27,533
	<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

21. MOVEMENT IN FUNDS

	At 1.7.20 £	Net movement in funds £	At 30.6.21 £
Unrestricted funds			
General fund	674,006	139,264	813,270
Revaluation fund	576,550	-	576,550
Designated fund - Breed Improvement	226,060	47,065	273,125
	<u>1,476,616</u>	<u>186,329</u>	<u>1,662,945</u>
Restricted funds			
Restricted fund	2,905	-	2,905
	<u>2,905</u>	<u>-</u>	<u>2,905</u>
TOTAL FUNDS	<u><u>1,479,521</u></u>	<u><u>186,329</u></u>	<u><u>1,665,850</u></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	671,762	(638,341)	105,843	139,264
Designated fund - Breed Improvement	51,145	(4,080)	-	47,065
	<u>722,907</u>	<u>(642,421)</u>	<u>105,843</u>	<u>186,329</u>
TOTAL FUNDS	<u><u>722,907</u></u>	<u><u>(642,421)</u></u>	<u><u>105,843</u></u>	<u><u>186,329</u></u>

Comparatives for movement in funds

	At 1.7.19 £	Net movement in funds £	At 30.6.20 £
Unrestricted funds			
General fund	561,033	112,973	674,006
Revaluation fund	576,550	-	576,550
Designated fund - Breed Improvement	164,390	61,670	226,060
	<u>1,301,973</u>	<u>174,643</u>	<u>1,476,616</u>
Restricted funds			
Restricted fund	-	2,905	2,905
	<u>-</u>	<u>2,905</u>	<u>2,905</u>
TOTAL FUNDS	<u><u>1,301,973</u></u>	<u><u>177,548</u></u>	<u><u>1,479,521</u></u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

21. 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	700,205	(611,138)	23,906	112,973
Designated fund - Breed Improvement	66,675	(5,005)	-	61,670
	<u>766,880</u>	<u>(616,143)</u>	<u>23,906</u>	<u>174,643</u>
Restricted funds				
Restricted fund	2,905	-	-	2,905
	<u>2,905</u>	<u>-</u>	<u>-</u>	<u>2,905</u>
TOTAL FUNDS	<u>769,785</u>	<u>(616,143)</u>	<u>23,906</u>	<u>177,548</u>

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

	At 1.7.19 £	Net movement in funds £	At 30.6.21 £
Unrestricted funds			
General fund	561,033	252,237	813,270
Revaluation fund	576,550	-	576,550
Designated fund - Breed Improvement	164,390	108,735	273,125
	<u>1,301,973</u>	<u>360,972</u>	<u>1,662,945</u>
Restricted funds			
Restricted fund	-	2,905	2,905
	<u>-</u>	<u>2,905</u>	<u>2,905</u>
TOTAL FUNDS	<u>1,301,973</u>	<u>363,877</u>	<u>1,665,850</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	1,371,967	(1,249,479)	129,749	252,237
Designated fund - Breed Improvement	117,820	(9,085)	-	108,735
	<u>1,489,787</u>	<u>(1,258,564)</u>	<u>129,749</u>	<u>360,972</u>
Restricted funds				
Restricted fund	2,905	-	-	2,905
	<u>2,905</u>	<u>-</u>	<u>-</u>	<u>2,905</u>
TOTAL FUNDS	<u>1,492,692</u>	<u>(1,258,564)</u>	<u>129,749</u>	<u>363,877</u>

Revaluation Fund

The revaluation fund is required by the Companies Act 2006 and represents the following:
£228,450 - the amount by which fixed assets stated at a valuation exceed their historical cost.
£348,100 - the amount by which investment property valuation exceeded its historical cost.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

21. MOVEMENT IN FUNDS - continued

Designated fund - Breed Improvement

This designated fund represents income received from beef scheme levies which is used for the promotion of schemes which aim to improve the breed.

22. CONTINGENT LIABILITIES

There is currently a potential claim against the Society by a former employee. At present we do not know the legal position of the claim or any potential liability that may arise.

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 June 2021.

24. GUARANTEE

The Society is a company limited by guarantee and has no share capital. Members of the Society guarantee to contribute an amount not exceeding £5 to the assets of the Society in the event of a winding up in the time that they are members, or within one year of ceasing to be a member. The total number of such guarantees at 30 June 2021 was 1,529 (2020: 1,493)

25. MEMBERSHIP

	Number of Members 2021	Number of Members 2020
Northern Ireland	184	180
Scotland	80	70
Wales	277	274
North of England	215	200
South of England	119	117
South West of England	179	178
Midlands and East Anglia	185	189
West Midlands	268	262
Overseas	22	23
	<hr/> 1,529	<hr/> 1,493

NUMBER OF NEW MEMBERS ELECTED

2011/2012	105 Members
2012/2013	104 Members
2013/2014	135 Members
2014/2015	133 Members
2015/2016	135 Members
2016/2017	102 Members
2017/2018	118 Members
2018/2019	89 Members
2019/2020	113 Members
2020/2021	107 Members

This schedule does not form part of the statutory financial statements.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

26. DETAILED PROFIT AND LOSS ACCOUNT

	2021 £	2020 £
Turnover	616,292	588,463
Administrative Expenses	(642,421)	(616,143)
Other Operating Income	83,911	73,359
Operating Profit/(Loss)	57,782	45,679
Investment Income	22,705	18,463
Profit on Ordinary Activities Before Taxation	80,487	64,142
Profit on Disposal of Investments	15,509	31,155
Trading Profit for the Financial Year	95,996	95,257

RECONCILIATION OF PROFIT AND LOSS ACCOUNT TO STATEMENT OF FINANCIAL ACTIVITIES

	2021 £	2020 £
Trading Profit for the Financial Year	95,996	95,257
Gift of Oil Painting (included in Donations)	-	89,500
Profit on Revaluation of heritage assets	-	52,156
Profit on Revaluation of fixed asset investment property	-	-
Profit (Loss) on revaluation of listed investments	90,333	(59,365)
Net Movement in Funds	186,329	177,548