

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

REPORT & FINANCIAL STATEMENTS

For the year ended 31 December 2020



Notice of the 59th Annual General Meeting
to be held

Thursday 24 June 2021 at 11am

Via Zoom - Join Zoom Meeting

<https://us02web.zoom.us/j/86901287490?pwd=QzIUNDk3RlRrRWZyOEhEWENvbG9RUT09>

Meeting ID: 869 0128 7490

Passcode: 309002

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

+44 208 080 6591 United Kingdom
+44 208 080 6592 United Kingdom
+44 330 088 5830 United Kingdom
+44 131 460 1196 United Kingdom
+44 203 481 5237 United Kingdom
+44 203 481 5240 United Kingdom
+44 203 901 7895 United Kingdom

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

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

The British Charolais Cattle Society

**NOTICE OF THE 59th
ANNUAL GENERAL MEETING**
of

THE BRITISH CHAROLAIS CATTLE SOCIETY LIMITED
(Limited by Guarantee)
Registered Number 731132 England
Registered Charity Number 250018

**to be held on
Thursday 24 June 2021 at 11am**

Via Zoom - Join Zoom Meeting

<https://us02web.zoom.us/j/86901287490?pwd=QzlUNDk3RlRrRWZyOEhEWENybG9RUT09>

Meeting ID: 869 0128 7490
Passcode: 309002

with

**BALANCE SHEET AND ACCOUNTS FOR THE YEAR ENDED
31ST DECEMBER 2020**

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

Telephone: 024 7669 7222 - Facsimile: 024 7669 0270

Email: charolais@charolais.co.uk

The British Charolais Cattle Society

REFERENCE AND ADMINISTRATIVE INFORMATION

COUNCIL OF MANAGEMENT 2020

The Members of the Council of Management for 2020 were as follows:

PRESIDENT (ex officio)

Mr Michael Atkinson (5)

Directors

CHAIRMAN

Mr B Harman (4)

VICE CHAIRMAN

Mr A P Drysdale

HONORARY TREASURER

Mr G C Robinson

Mr D Barker (4)	Southern England
Mr N Blyth	Northern England
Mr W D Connolly (2)	Northern Ireland
Mr R C Curry (2)	Northern England
Mr A P Drysdale (1)	National
Mr J H Christie (3)	Scotland
Mr M A Milne (5)	Scotland
Mrs T Nicoll	Scotland
Mr R A Owen (4)	National
Mr W Owen	Wales
Mr J Price	Southern England
Mr A E Sellick (1)	Southern England
Mr W Short	Northern Ireland
Mr D Thornley (4)	Northern England
Mr C J Wight (2)	Scotland
Mr B L Williams (1)	Wales

Notes:

- (1) Retires at AGM 24 June 2021 – eligible for re-election
- (2) Retires at AGM 24 June 2021 – not eligible for re-election
- (3) Retired at AGM 18 June 2020
- (4) Re-appointed at AGM 18 June 2020
- (5) Appointed at AGM 18 June 2020

SOCIETY CHIEF EXECUTIVE and COMPANY SECRETARY

Mr Peter Phythian

Registered Office:

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

CONTENTS

Notice of Meeting	1
Chairman's Report	2-3
Treasurer's Report	4
Report of the Trustees	5-8
Auditors' Report	9-11
Statement of Financial Activities (incorporating an Income and Expenditure Account)	12
Balance Sheet	13
Cash flow and notes	14-15
Notes to the Financial Statements	16-30

Auditors:

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

Bankers:

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

Solicitors:

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

Insurance Brokers:

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

Fund Managers:

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

Registered Number 731132 England
Registered Charity Number 250018

The British Charolais Cattle Society

NOTICE IS HEREBY GIVEN

that the

**59th ANNUAL GENERAL MEETING of
THE BRITISH CHAROLAIS CATTLE SOCIETY LIMITED (Limited by
guarantee)**

**Thursday 24 June 2021 at 11am
at the British Charolais Cattle Society
Avenue M, Stoneleigh Park, Kenilworth, Warwickshire CV8 2RG**

AGENDA

1. To read the Notice convening the 59th Annual General Meeting of the Society.
2. Apologies for absence.
3. To approve the Minutes of the ~~2019~~ ²⁰²⁰ 58th Annual General Meeting of the Society.
4. To receive and consider, and if approved adopt the Report of the Council of Management presented by the Chairman of Council.
5. To receive and consider, and if approved, adopt the Annual Statement of Accounts and Balance Sheet for the 2020 year and the Auditor's Report thereon presented by the Honorary Treasurer.
6. Election of members to the Council of Management.
7. Election of President.
8. To appoint Auditors.
9. Approve the draft bylaws, please see the website for the details <http://www.charolais.co.uk/>
10. To transact any other business of an Annual General Meeting.

The British Charolais Cattle Society

CHAIRMAN'S REPORT

It hasn't been the 2 years that any of us imagined or wanted, change has come to society and the Society at an unprecedented rate. Change brings opportunity, the quickest to react with decisive and positive action have the best opportunity to prosper. Nearly 70 years ago my Grandfather recognised the need for quicker growing, more efficient cattle than could be achieved by use of the native breeds. He lobbied government for the right to import the first Charolais semen, then bulls and ultimately females. 59 years ago, the British Charolais society was born.

There is a board on the wall of the British Charolais office in Stoneleigh showing all of the past Chairman, the board is now full. The first name on the board is that of my Grandfather Tony Harman, the last name is mine which is a fitting way for me to finish in my role as chairman. It leads me to ponder how many generations a population has to be in a country to be considered native. The British Charolais has developed a distinctive phenotype when compared with Charolais in other countries around the world 15 or 20 generations of selective breeding has produced a 'British Charolais' as distinct from a French, Swedish, Canadian, Mexican or Antipodean Charolais. One definition of native is "Originating, growing, or produced in a certain place or region" It is my contention that the British Charolais is every bit as indigenous to the United Kingdom as Fish and chips (origin Portugal / Belgium), pubs (origin Roman) or St George (origin Syria).

Suckler beef in Great Britain and elsewhere will face continued pressure over the next few years. We have already started to transition to a net zero carbon economy, our industry 'partners' the supermarkets have pledged to be carbon neutral by 2035 and Morrison's have come out and said 2030, the restaurant chains will be hot on their heels. Beef has had some bad press from the vegan, vegetarian, and green lobbies, much of it undeserved but some of it is true and will become part of the narrative of British Agricultural support as direct payments are phased out by 2027. In order to prosper in this changing market, it is not only our businesses which will need to be increasingly efficient but also our cattle. The British Charolais is I believe uniquely positioned to capitalise in this changing marketplace. We know from slaughter data that Charolais sired progeny on average can hit market specification at a younger age than other breeds. We also know that younger cattle are more efficient, I will make no apology for reprinting the data I used in last year's report that was put together by David Mackenzie of Harbro

For bovines on average

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

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

However, knowing that is not enough, we have to prove it and improve on it. The only way to show our potential is to measure and then strive for better. Selection for efficiency is already available to us as breeders and is used increasingly by our customers in to select bulls for their commercial enterprises. We cannot rest, we must continue to improve as breeders by selecting short gestation, easily born cattle with high growth rates and carcass traits. When the efficiency of our industry is questioned, we must be able to show the potential of our breed to be part of the solution to a low carbon farming future. I would urge all breeders to accurately record the performance of their herds, the future prosperity of our industry depends on it.

Huge tribute must be paid to our office staff, who this year more than ever have shown their dedication to the Society. Peter and Rusmi have organised the office to maintain a seamless level of service to the members with some staff having to work from home while always keeping the office staffed. Rebecca, Fiona and Mandy have responded to every challenge with the dedication and commitment we have come to cherish. Julie joined us last year and has quickly become an indispensable member of the team as we have taken the performance recording that was outsourced back in house. The modernisation of the office processes coupled with maximisation of our assets and taking on work on behalf of other societies has ensured that the Society is now in a stronger financial position than for many years and is in the best possible position to face the challenges which lie ahead.

Outside of our control are the problems which have come as a result of Brexit. The Northern Ireland breeders represent around a third of our membership and are currently effectively cut off from the rest of the UK market. Peter has been engaging with ministers and industry leaders in England, Scotland, Wales, Northern Ireland, and the EU in an effort to try to find a solution to the problems now faced in moving cattle between the mainland and Northern Ireland. To this date those discussions continue.

The British Charolais Cattle Society

CHAIRMAN'S REPORT – continued

Another effect of Brexit is the difficulty, time and extra expense involved in getting DNA samples to our service provider Weatherby's. As a pedigree society it is one of our core functions to ensure the parentage of all stock sold under the society auspices. We simply can not allow cattle of unverified parentage to be sold, the consequences of incorrect parentage have been well documented in other breeds over the last couple of years. I would urge all members who think they may have stock which they will enter into sales to get the DNA samples to the office, and if they already have samples in the office as 'pending' to ask for them to be sent to the lab at the earliest opportunity. Its so disheartening to go through all of the time, effort, expense and hope of getting stock ready for sale and then having the opportunity taken away by technical difficulties.

I must thank all of the council members who have sat through meetings, debated vigorously and supported the Society over the last two years. The expertise, passion and dedication of the council ensures the society will prosper under the chairmanship of the highly respected, passionate and dedicated Allen Drysdale who will succeed me as Chairman. Finally, a word for our Treasurer I would like to thank Graham he always carries out the role in a professional and dedicated manor, I feel many members would be astonished at the amount of work that is done behind the scenes ensuring our finances are well looked after.

The British Charolais Cattle Society

TREASURERS REPORT

By any standard measure 2020 was a successful year for the BCCS with an increase in the value of the investment portfolio and a profit on the operational side resulting in an increase on the balance sheet. That said I find myself writing the most difficult treasurer's report since taking on the role with covid and budgeting changes both having major impacts on the results.

I am well aware that as a result of covid the BCCS has lost good friends and many members businesses will have suffered greatly, and my thoughts are with them.

The balance sheet saw an increase of £112k to a little over £3.047m. For the first time in many years nothing was drawn down from the portfolio and in the financial year £50k was given to the investment fund managers to invest followed by £30k in March 2021. Members will recall that to develop the office space for tenants we had previously drawn down £63k and this has now been replaced somewhat earlier than had been anticipated. The BCCS is now at a point where it is making the best use of its assets in my opinion, but under the current situation it would seem likely that there will be downward pressure on office rentals and that with increased tax burdens in the pipeline that dividends may also come under pressure.

The detailed statement of the financial activities shows a profit of £93k and within this is where I need to try and normalize the results. Members will recall both the Chairmans and Treasurers reports for 2018 stated that budgetary changes were necessary to protect the future of the BCCS in the longer term as a result, like the pedigree sector in general, of reduced membership and calf registrations. Those changes are reflected for the first time in these results. Also within the results are the effects that covid has had on the activities of the society. My estimation is that having made allowances for small losses of income on one side and substantially reduced expenditure on the other side is that the overall effect has been to increase the profit figure by around £60k. Having excluded the effect of covid allows hopefully a more normal view to be taken of the results which leaves a profit of around £30k compared to a loss of £23k in 2019 with this being the first year's results after a major budgetary review.

As always, my sincere thanks must go to the staff, with large amounts of the work being done from home equipped with new mobile phones and laptops they were able to keep all the processes moving without interruption.

2020 Financials

At the end of the year BCCS funds stood at £3,047,725 (2019 - £2,936,056), up by £111,669 which was mainly due to the stock market rebound after the initial drop due to Covid-19 and more political stability.

The total income for 2020 decreased in the year by 2% from £680,177 to £666,591. The major contributions to the Society income are derived from members' subscriptions, registration fees, transfer fees, auction sale, commissions, and investment income.

Investment income

- The dividend income from the investment portfolio decreased by 17% to £64,672 (2019 - £78,331).

Cattle Society Income

- Rent received from the society tenants increased to £49,630 (2019 - £47,471).
- Registration income increased to £208,640 (2019 - £183,019).
- Membership income decreased to £63,662 (2019 - £65,046).
- Gift aid refund and interest decreased to £10,292 (2019 - £11,039).

Expenditure

Total expenditure for the year decreased to £564,808 (2019 - £692,656).

- Staff were given a 1% pay increase in line with inflation.
- Building repairs increased to £4,538 (2019 - £3,376).
- Computer repairs and maintenance increased to £10,093 (2019 - £5,344).
- The purchase of promotional goods decreased to £2,996 (2019 - £6,446).
- Legal and professional fees decreased to £7,491 (2019 - £8,164).

SNP testing, the change over from microsatellite cost the society £26,864 in 2018 and 2019 which has been fully capitalised and will be written off over 5 years.

The profit for the financial year was £92,712 (2019 loss - £22,702).

The British Charolais Cattle Society

REPORT OF THE TRUSTEES for the year ended 31 December 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives, activities, achievements and performance

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

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

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

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

STRATEGIC REPORT

Income generation

The total income for 2020 decreased slightly by 2% from £680,177 to £666,591. The major contributions to the Society income are derived from members' subscriptions, registration fees, transfer fees, auction sale commissions and investment income. Breedplan income totalled £51,333 (2019 - £51,918). The dividend income from the investment portfolio decreased by 17% to £64,672 (2019 - £78,331).

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

The British Charolais Cattle Society

REPORT OF THE TRUSTEES for the year ended 31 December 2020

STRATEGIC REPORT

Financial review

Investment policy and returns

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

Fund raising

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

Resources expended and services

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

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

Reserves policy

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

The uncertainty of BREXIT import tariffs and EU subsidises, may well result in a reduction of income from the charity's charitable activities. Currently the charity has approximately £2.6m in reserves which is readily accessible. The remaining £412k is invested in administrative property, plant and machinery and intangible assets.

We believe that it is prudent to hold reserves equivalent to approximately 24 months expenditure. In calculating reserves, we have excluded from total funds both the tangible and intangible assets totalling £412k which are in fixed assets. Therefore, the actual level of reserves readily available for day to day expenditure amounts to approximately £2.6m, and although this is in excess of the 24 months expenditure, the trustees are aware of a possible economic slow down which may affect the level of reserves, and the income from the investment portfolio. This, together with an increase in administration expenditure, and an increase in breed improvement and breed promotional activities, will lead to a reduction in the level of reserves.

Plans for the future

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is a charitable company limited by guarantee, governed by its Memorandum and Articles of Association dated 27 July 1962. Members of the Council of Management, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year are set out in the section entitled 'Reference and administrative details'. Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of a winding up. The total number of such guarantees at 31 December 2020 was 16 (2019 - 16).

The British Charolais Cattle Society

REPORT OF THE TRUSTEES for the year ended 31 December 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Appointment of trustees

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

Organisation

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

Trustees induction and training

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

Key management remuneration

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

Related parties

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

Risk review

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

The British Charolais Cattle Society

REPORT OF THE TRUSTEES for the year ended 31 December 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

In so far as the trustees are aware:

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

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



Mr B Harman - Trustee

The British Charolais Cattle Society

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE BRITISH CHAROLAIS CATTLE SOCIETY LIMITED

Opinion

We have audited the financial statements of The British Charolais Cattle Society Limited (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

However, not all future events or conditions can be foreseen. The Covid-19 viral pandemic is one of the most significant economic events there has been in the UK for many years, with unprecedented levels of uncertainty in predicting outcomes. It is therefore difficult to evaluate all of the potential implications on the company's activities, customers, suppliers and the wider economy.

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.

The British Charolais Cattle Society

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE BRITISH CHAROLAIS CATTLE SOCIETY LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

The audit process includes an assessment of the entity's risk environment, through enquiry of and discussion with management, including an assessment of any key laws and regulations with which the company must comply in the ordinary course of its business. We have concluded that there are no such key laws and regulations that are particular to the company's activities.

Additionally, the overall risks of irregular transactions occurring are assessed following our observations and confirmation of the design and implementation of management's controls. Whilst we are mindful of these risks, our audit focus is geared towards the risk of material misstatement in the financial statements as a whole.

As such, our procedures cannot guarantee that all transactions have been fully compliant with all relevant laws and regulations, including those regulations relating to fraud, as our procedures are not designed to detect all instances of non-compliance.

Nevertheless, nothing has come to our attention that has given us significant cause for concern in the course of the procedures we have not undertaken in order to give our opinion on whether the financial statements are free from material misstatement, as shown above.

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.

The British Charolais Cattle Society

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE BRITISH CHAROLAIS CATTLE SOCIETY LIMITED

Use of our report

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

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

Date:

24/6/2021

The British Charolais Cattle Society

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2020

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	10,250	-	10,250	15,817
Charitable activities					
Breed improvement	6	516,614	-	516,614	505,564
Other trading activities	4	25,353	-	25,353	32,826
Investment income	5	<u>114,374</u>	<u>-</u>	<u>114,374</u>	<u>125,970</u>
Total		666,591	-	666,591	680,177
EXPENDITURE ON					
Raising funds	7	13,607	-	13,607	27,692
Charitable activities					
Breed improvement	8	551,201	-	551,201	664,964
Total		564,808	-	564,808	692,656
Net gains/(losses) on investments		<u>(9,071)</u>	<u>-</u>	<u>(9,071)</u>	<u>(10,223)</u>
NET INCOME/(EXPENDITURE)		92,712	-	92,712	(22,702)
Other recognised gains/(losses)					
Gains on revaluation of fixed assets		<u>18,957</u>	<u>-</u>	<u>18,957</u>	<u>373,176</u>
Net movement in funds		111,669	-	111,669	350,474
RECONCILIATION OF FUNDS					
Total funds brought forward		2,936,056	-	2,936,056	2,585,582
TOTAL FUNDS CARRIED FORWARD		<u>3,047,725</u>	<u>-</u>	<u>3,047,725</u>	<u>2,936,056</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

The British Charolais Cattle Society

BALANCE SHEET 31 December 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	14	10,926	16,299
Tangible assets	15	400,911	411,888
Investments	16	<u>2,472,965</u>	<u>2,411,916</u>
		2,884,802	2,840,103
CURRENT ASSETS			
Stocks	17	5,235	5,600
Debtors	18	60,732	49,858
Cash at bank		<u>196,977</u>	<u>142,776</u>
		262,944	198,234
CREDITORS			
Amounts falling due within one year	19	<u>(100,021)</u>	<u>(102,281)</u>
NET CURRENT ASSETS		<u>162,923</u>	<u>95,953</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,047,725</u>	<u>2,936,056</u>
NET ASSETS		<u>3,047,725</u>	<u>2,936,056</u>
FUNDS	22		
Unrestricted funds		<u>3,047,725</u>	<u>2,936,056</u>
TOTAL FUNDS		<u>3,047,725</u>	<u>2,936,056</u>

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

24 June 2021


Mr B Harman - Trustee


Mr A P Drysdale - Trustee

The notes form part of these financial statements

The British Charolais Cattle Society

CASH FLOW STATEMENT for the year ended 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>46,437</u>	<u>(96,372)</u>
Net cash provided by/(used in) operating activities		<u>46,437</u>	<u>(96,372)</u>
 Cash flows from investing activities			
Purchase of intangible fixed assets		-	(902)
Purchase of tangible fixed assets		(5,817)	(40,724)
Purchase of fixed asset investments		(97,368)	(80,432)
Sale of fixed asset investments		46,205	209,971
Interest received		72	168
Dividends received		<u>64,672</u>	<u>78,331</u>
Net cash provided by investing activities		<u>7,764</u>	<u>166,412</u>
 Change in cash and cash equivalents in the reporting period		<u>54,201</u>	<u>70,040</u>
Cash and cash equivalents at the beginning of the reporting period		<u>142,776</u>	<u>72,736</u>
 Cash and cash equivalents at the end of the reporting period		<u>196,977</u>	<u>142,776</u>

The notes form part of these financial statements

The British Charolais Cattle Society

NOTES TO THE CASH FLOW STATEMENT for the year ended 31 December 2020

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	92,712	(22,702)
Adjustments for:		
Depreciation charges	22,167	22,429
Losses on investments	9,071	10,223
Interest received	(72)	(168)
Dividends received	(64,672)	(78,331)
Decrease in stocks	365	657
Increase in debtors	(10,874)	(14,992)
Decrease in creditors	<u>(2,260)</u>	<u>(13,488)</u>
Net cash provided by/(used in) operations	<u>46,437</u>	<u>(96,372)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank	<u>142,776</u>	<u>54,201</u>	<u>196,977</u>
	<u>142,776</u>	<u>54,201</u>	<u>196,977</u>
Total	<u>142,776</u>	<u>54,201</u>	<u>196,977</u>

The notes form part of these financial statements

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020

1. COMPANY STATUS

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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

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

Significant accounting judgements and estimates

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

Income

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

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

Government grants, in the form of the Coronavirus Business Support Scheme, have been recognised as grant income when received.

Expenditure

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

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

Intangible assets

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

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

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

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

Stocks

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

Taxation

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Investments

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

Financial instruments

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

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

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Royal Welsh Pavilion & other donations	250	15,817
Grants	<u>10,000</u>	<u>-</u>
	<u>10,250</u>	<u>15,817</u>

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

	2020	2019
	£	£
COVID Business Support	<u>10,000</u>	<u>-</u>

4. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Auction sale income	24,020	29,253
Sale of promotional goods	<u>1,333</u>	<u>3,573</u>
	<u>25,353</u>	<u>32,826</u>

5. INVESTMENT INCOME

	2020	2019
	£	£
Rents received	49,630	47,471
Listed investment income (gross)	64,672	78,331
Bank deposit interest	<u>72</u>	<u>168</u>
	<u>114,374</u>	<u>125,970</u>

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

6. INCOME FROM CHARITABLE ACTIVITIES

		2020	2019
	Activity	£	£
Subscriptions receivable	Breed improvement	63,662	65,046
Donations - unallocated subs	Breed improvement	1,717	2,020
Enrolment fees & herd prefixes	Breed improvement	2,100	1,875
Registration fees	Breed improvement	208,640	183,019
F.O.T. registration fees	Breed improvement	19,900	23,700
Transfer fees	Breed improvement	6,960	4,700
Semen royalty scheme	Breed improvement	3,099	2,908
Breedplan income	Breed improvement	51,333	51,918
Gift Aid tax refund & interest	Breed improvement	10,292	11,039
Import admin fees	Breed improvement	2,840	2,550
DNA testing	Breed improvement	106,095	126,699
Warranty income	Breed improvement	1,502	2,718
Export certificate fees	Breed improvement	300	359
Solar income	Breed improvement	2,152	2,678
Other breed society services	Breed improvement	36,022	24,335
		<u>516,614</u>	<u>505,564</u>

7. RAISING FUNDS

Raising donations and legacies

	2020	2019
	£	£
Auction sale expenses	2,724	10,988
Charolais News & herd books	2,923	5,596
Regional contributions	4,964	4,662
	<u>10,611</u>	<u>21,246</u>

Other trading activities

	2020	2019
	£	£
Purchases	<u>2,996</u>	<u>6,446</u>
Aggregate amounts	<u>13,607</u>	<u>27,692</u>

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
Breed improvement	<u>531,430</u>	<u>19,771</u>	<u>551,201</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Staff costs	250,768	231,488
Rent, rates, insurance, cleaning, heat & light	34,208	31,868
Telephone	6,651	3,965
Postage	11,793	11,379
Publicity expenses	20,516	91,083
Sundries	9,133	3,818
Repairs & maintenance - building	4,538	3,376
Charolais Youth	-	5,413
Printing & stationery	4,657	5,969
Maintenance of office equipment	495	492
Pedigree Cattle Livestock Services	12,325	29,000
Computer maintenance & support	10,093	5,344
Subscriptions	289	1,145
Herd inspection expenses	819	3,235
ABRI support	22,890	25,051
Royal Welsh Pavilion expenses	-	1,464
Ultra sound scanning refunds	9,750	11,700
Registration calf credit notes	6,045	5,510
DNA SNP testing	90,552	126,296
Other breed society services	13,741	8,283
Depreciation	<u>22,167</u>	<u>22,429</u>
	<u>531,430</u>	<u>628,308</u>

10. SUPPORT COSTS

	Governance costs £
Breed improvement	<u>19,771</u>

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

10. SUPPORT COSTS - continued

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

Governance costs

	2020 Breed improvement £	2019 Total activities £
Auditors' remuneration	5,475	4,950
Auditors' remuneration for non audit work	2,688	2,073
Legal and professional fees	7,491	8,164
Directors, staff & board travel expenses	<u>4,117</u>	<u>21,469</u>
	<u>19,771</u>	<u>36,656</u>

11. NET INCOME/(EXPENDITURE)

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

	2020 £	2019 £
Auditors' remuneration	5,475	4,950
Other non-audit services	2,688	2,073
Depreciation - owned assets	16,794	17,056
Breed improvement amortisation	5,373	5,373
Income from operating leases	(49,630)	(47,471)
Amounts payable under operating leases	<u>2,272</u>	<u>2,272</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

Travel and subsistence expenses were reimbursed to 16 members of the Council of Management during the year totalling £1,054 (2019 - £8,425). The members of the Council of Management neither received nor waived any emoluments during the year.

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

13. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	219,286	203,299
Social security costs	16,017	14,026
Other pension costs	<u>15,465</u>	<u>14,163</u>
	<u>250,768</u>	<u>231,488</u>

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

	2020	2019
Cost of generating funds	3	3
Management & administration	<u>4</u>	<u>3</u>
	<u>7</u>	<u>6</u>

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

	2020	2019
£70,001 - £80,000	<u>1</u>	<u>1</u>

Key management personnel

Key management comprises the Chief Executive Officer and the members of the Council of Management. Compensation of key management personnel totalled £78,055 (2019 - £75,189).

14. INTANGIBLE FIXED ASSETS

	Breed improvement £
COST	
At 1 January 2020 and 31 December 2020	<u>26,864</u>
AMORTISATION	
At 1 January 2020	10,565
Charge for year	<u>5,373</u>
At 31 December 2020	<u>15,938</u>
NET BOOK VALUE	
At 31 December 2020	<u>10,926</u>
At 31 December 2019	<u>16,299</u>

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

15. TANGIBLE FIXED ASSETS

	Leasehold property - Royal Welsh Pavilion £	Leasehold property - NAC £	Fixtures & fittings - Royal Welsh Pavilion £
COST			
At 1 January 2020	138,827	456,442	6,098
Additions	-	-	-
At 31 December 2020	<u>138,827</u>	<u>456,442</u>	<u>6,098</u>
DEPRECIATION			
At 1 January 2020	86,079	107,263	6,098
Charge for year	<u>6,593</u>	<u>4,918</u>	-
At 31 December 2020	<u>92,672</u>	<u>112,181</u>	<u>6,098</u>
NET BOOK VALUE			
At 31 December 2020	<u>46,155</u>	<u>344,261</u>	-
At 31 December 2019	<u>52,748</u>	<u>349,179</u>	-
	Fixtures & fittings - NAC £	Computer equipment £	Totals £
COST			
At 1 January 2020	33,234	22,179	656,780
Additions	-	5,817	5,817
At 31 December 2020	<u>33,234</u>	<u>27,996</u>	<u>662,597</u>
DEPRECIATION			
At 1 January 2020	33,234	12,218	244,892
Charge for year	-	5,283	16,794
At 31 December 2020	<u>33,234</u>	<u>17,501</u>	<u>261,686</u>
NET BOOK VALUE			
At 31 December 2020	-	<u>10,495</u>	<u>400,911</u>
At 31 December 2019	-	<u>9,961</u>	<u>411,888</u>

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

16. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2020	2,411,916
Additions	97,368
Disposals	(55,276)
Revaluations	<u>18,957</u>
At 31 December 2020	<u>2,472,965</u>
NET BOOK VALUE	
At 31 December 2020	<u>2,472,965</u>
At 31 December 2019	<u>2,411,916</u>

There were no investment assets outside the UK.

The historic cost of fixed asset investments totals £1,705,162 (2019 - £1,663,009).

17. STOCKS

	2020 £	2019 £
Goods for resale	<u>5,235</u>	<u>5,600</u>

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	56,724	45,738
Prepayments and accrued income	<u>4,008</u>	<u>4,120</u>
	<u>60,732</u>	<u>49,858</u>

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	36,289	86,634
Social security and other taxes	4,988	4,337
VAT	5,501	6,360
Other creditors	48,293	-
Accrued expenses	<u>4,950</u>	<u>4,950</u>
	<u>100,021</u>	<u>102,281</u>

Included within creditors is a balance totalling £48,293 (2019 - £28,625) relating to deferred income. The charity defers income relating to registrations and subscriptions paid in advance of invoices being raised.

	£
Balance as at 1 January 2020	28,625
Amounts released to income during the year	(28,625)
Amounts deferred during the year	48,293
Balance as at 31 December 2020	<u>48,293</u>

20. LEASING AGREEMENTS

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

	2020	2019
	£	£
Within one year	2,272	2,272
Between one and five years	<u>3,764</u>	<u>6,036</u>
	<u>6,036</u>	<u>8,308</u>

Minimum lease payments receivable under non-cancellable operating leases also fall due within one year of £20,070, due between one and five years of £43,200 and due over 5 years of £20,700.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
Fixed assets	411,837	-	411,837	428,187
Investments	2,472,965	-	2,472,965	2,411,916
Current assets	262,944	-	262,944	198,234
Current liabilities	<u>(100,021)</u>	<u>-</u>	<u>(100,021)</u>	<u>(102,281)</u>
	<u>3,047,725</u>	<u>-</u>	<u>3,047,725</u>	<u>2,936,056</u>

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

22. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	2,936,056	111,669	3,047,725
TOTAL FUNDS	<u>2,936,056</u>	<u>111,669</u>	<u>3,047,725</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	666,591	(564,808)	9,886	111,669
TOTAL FUNDS	<u>666,591</u>	<u>(564,808)</u>	<u>9,886</u>	<u>111,669</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	2,585,582	350,474	2,936,056
TOTAL FUNDS	<u>2,585,582</u>	<u>350,474</u>	<u>2,936,056</u>

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	680,177	(692,656)	362,953	350,474
TOTAL FUNDS	<u>680,177</u>	<u>(692,656)</u>	<u>362,953</u>	<u>350,474</u>

The British Charolais Cattle Society

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

22. MOVEMENT IN FUNDS - continued

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

	At 1.1.19 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	2,585,582	462,143	3,047,725
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>2,585,582</u>	<u>462,143</u>	<u>3,047,725</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	1,346,768	(1,257,464)	372,839	462,143
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,346,768</u>	<u>(1,257,464)</u>	<u>372,839</u>	<u>462,143</u>

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

23. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined contribution insured pension scheme in respect of the secretary and office manager. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £15,465 (2019 - £14,163). There were no outstanding or prepaid contributions.

24. RELATED PARTY DISCLOSURES

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

The British Charolais Cattle Society

DETAILED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2020

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Royal Welsh Pavilion & other donations	250	15,817
Grants	<u>10,000</u>	<u>-</u>
	10,250	15,817
Other trading activities		
Auction sale income	24,020	29,253
Sale of promotional goods	<u>1,333</u>	<u>3,573</u>
	25,353	32,826
Investment income		
Rents received	49,630	47,471
Listed investment income (gross)	64,672	78,331
Bank deposit interest	<u>72</u>	<u>168</u>
	114,374	125,970
Charitable activities		
Subscriptions receivable	63,662	65,046
Donations - unallocated subs	1,717	2,020
Enrolment fees & herd prefixes	2,100	1,875
Registration fees	208,640	183,019
F.O.T. registration fees	19,900	23,700
Transfer fees	6,960	4,700
Semen royalty scheme	3,099	2,908
Breedplan income	51,333	51,918
Gift Aid tax refund & interest	10,292	11,039
Import admin fees	2,840	2,550
DNA testing	106,095	126,699
Warranty income	1,502	2,718
Export certificate fees	300	359
Solar income	2,152	2,678
Other breed society services	<u>36,022</u>	<u>24,335</u>
	516,614	505,564
Total incoming resources	666,591	680,177
EXPENDITURE		
Raising donations and legacies		
Auction sale expenses	2,724	10,988
Carried forward	<u>2,724</u>	<u>10,988</u>

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The British Charolais Cattle Society

DETAILED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2020

	2020 £	2019 £
Raising donations and legacies		
Brought forward	2,724	10,988
Charolais News & herd books	2,923	5,596
Regional contributions	<u>4,964</u>	<u>4,662</u>
	10,611	21,246
Other trading activities		
Purchase of promotional goods	2,996	6,446
Charitable activities		
Wages	219,286	203,299
Social security	16,017	14,026
Pensions	15,465	14,163
Rent, rates, insurance, cleaning, heat & light	34,208	31,868
Telephone	6,651	3,965
Postage	11,793	11,379
Publicity expenses	20,516	91,083
Sundries	9,133	3,818
Repairs & maintenance - building	4,538	3,376
Charolais Youth	-	5,413
Printing & stationery	4,657	5,969
Maintenance of office equipment	495	492
Pedigree Cattle Livestock Services	12,325	29,000
Computer maintenance & support	10,093	5,344
Subscriptions	289	1,145
Herd inspection expenses	819	3,235
ABRI support	22,890	25,051
Royal Welsh Pavilion expenses	-	1,464
Ultra sound scanning refunds	9,750	11,700
Registration calf credit notes	6,045	5,510
DNA SNP testing	90,552	126,296
Other breed society services	13,741	8,283
Amort of breed improvement	5,373	5,373
Depreciation of short leasehold	6,593	6,593
Depreciation of long leasehold	4,918	4,918
Depreciation of computer equipment	<u>5,283</u>	<u>5,545</u>
	531,430	628,308
Support costs		
Governance costs		
Auditors' remuneration	5,475	4,950
Auditors' remuneration for non audit work	2,688	2,073
Legal and professional fees	7,491	8,164
Directors, staff & board travel expenses	<u>4,117</u>	<u>21,469</u>
	19,771	36,656

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The British Charolais Cattle Society

DETAILED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2020

	2020 £	2019 £
Total resources expended	<u>564,808</u>	<u>692,656</u>
Net income/(expenditure) before gains and losses	101,783	(12,479)
Realised recognised gains and losses		
Gains/(losses) on fixed asset investments	<u>(9,071)</u>	<u>(10,223)</u>
Net income/(expenditure)	<u>92,712</u>	<u>(22,702)</u>

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