

Company registration number: 00035107

Charity registration number: 254166

South Devon Herd Book Society

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Wortham Jaques Ltd
Chartered Accountants and Charity Advisers
130a High Street
Crediton
Devon
EX17 3 LQ

South Devon Herd Book Society

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 8
Independent Examiner's Report	9
Statement of Financial Activities	10 to 11
Balance Sheet	12
Notes to the Financial Statements	13 to 32

South Devon Herd Book Society

Reference and Administrative Details

Trustees

J R Andrew
A H Bartley
T J Bastard
Mrs S A Brooks
Mrs E Bunkum
R A Ford
R E Hadley
R V Hartshorn
E G Hawkins
G Hocking
D L Irving
Mr D P Nixey
A L Pascoe
O Rounsevell
A T Threlkeld
J Tucker
J W J Virgin
J M White
Mrs C A Poultney

Secretary

Principal Office

Westpoint
Clyst St Mary
Exeter
Devon
EX5 1DJ

The charity is incorporated in England and Wales.

South Devon Herd Book Society

Reference and Administrative Details

Company Registration Number	00035107
Charity Registration Number	254166
Solicitors	Michelmores LLP Woodwater House Pynes Hill Exeter Devon EX2 5WR
Bankers	Lloyds Bank PLC 41 Courtenay Street Newton Abbot Devon TQ12 2QW
Independent Examiner	Wortham Jaques Ltd Chartered Accountants and Charity Advisers 130a High Street Crediton Devon EX17 3 LQ

South Devon Herd Book Society

Trustees' Report

CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES

2020 is the year that will go down in the history books for sure. Little did we know that a virus that started in China would have such an impact on the world that we live in, an "Annus Horribilis" it certainly turned out to be. Our Breed Secretary Caroline made a fantastic recovery with her sheer determination not to let anything stop her from carrying out her duties working from home as and when she was able. It was great to see how much progress she made in such little time to keep the wheels of the Society rolling. Little did we all know that within a short time the whole country would be working from home!

The outbreak of the coronavirus pandemic was something that none of us could have predicted and the decision for the Annual General Meeting to be postponed and Spring Sale to be cancelled, although unfortunate proved to be right as the days progressed.

I believe that I must be the first ever Chairman of the Society who has been unable to meet his Council in person yet still manage the full schedule of meetings throughout the year. It has not been easy at times, with frustration over internet access and reliability, but 'Zoom' meetings do have their benefits: not having to spend a whole day away from the farm and in some cases driving two hundred plus miles certainly makes life easier. Going forward I would like to think that more meetings will take place in this format which might encourage those members that do not always have the time and live in more remote areas to have a greater input into the Society.

Meeting face to face does have its benefits and I think we have all missed the social aspect over the past twelve months, which is particularly important in the very isolated industry that we work. Our various committees have been busy over the year and the ability to meet for just an hour or so has proved greatly beneficial. The delayed Annual General Meeting was held in June and it was great to see so many people albeit on a computer screen.

The office has been manned when it has been safe and practically possible given the current situation and have been kept busy throughout. Although registrations were down a little, savings have also been made due to the coronavirus pandemic, leaving us with a small profit for the year. We are however continuing to look at efficiencies throughout the Society so we can provide a service that is sustainable for many years to come.

As we moved into the summer with no shows to attend and our main shop window closed for business it was great to see various online virtual competitions taking place to keep all our spirits up. Some of the regions held their herd competitions which was fantastic, but unfortunately it became impractical and not worth the risk to continue with the National Herd Competition.

The Autumn Sale at Worcester Market once again proved a successful venue and we thank Clive Roads and his team at McCartneys for their continued support. With social distancing in force, those who did attend were there to do business while purchasers that preferred to stay at home made use of the online live stream and bidding over the telephone.

Finally, I would like to thank all those who have given their time to Society matters over the past 12 months, from Executive, Council, and the various committees. I would like to thank Sir John Bell as our Society President for the year and hope that this year will give us all the opportunity to meet him at Society events. Particular thanks must be given to our past Chairman Bob Bostelmann for his three-year term at the helm. Also, we should not forget Caroline, Liz and Elizabeth for their continued hard work during this very difficult year and let's hope for a more normal 2021 for us all.

Philip Laity, Society Chairman

Council attendance

J Andrew	3	A H Bartley	5	T Bastard	5
A Brooks	4	E Bunkum	5	R A Ford	3
R E Hadley	4	R V Hartshorn	5	E G Hawkins	5
D L Irving	2	D Nixey	5	A L Pascoe	5
O Rounsevell	5	A Threlkeld	0	J Tucker	5
J W Virgin	5	J White	5		

South Devon Herd Book Society

Trustees' Report

REPORT OF THE TRUSTEES

for the year ended 31st December 2020

LEGAL AND ADMINISTRATIVE DETAILS

Status

The charity is a company limited by guarantee (number 35107) and was incorporated on 2nd November 1891. It was registered with the Charity Commission (number 24166) on 6th November 1967. The company was established under a Memorandum of Association which describes the objects and powers of the charitable company, and it is governed under its Articles of Association.

Registered Office

Westpoint
Clyst St Mary
Exeter
Devon
EX5 1DJ

Bankers

Lloyds Bank plc
41 Courtenay Street
Newton Abbot
Devon
TQ12 2QW

Investment Adviser

Brewin Dolphin Ltd
Vantage Point
Woodwater Park
Pynes Hill, Exeter
Devon, EX2 5FD

Solicitor

Michelmores LLP
Woodwater House
Pynes Hill
Exeter
Devon, EX2 5WR

Independent Examiner

Wortham Jaques
130 High Street
Crediton
Devon
EX17 3LQ

Trustees of the Society

The trustees of the charity are the members of its Council who are elected by the Society's members and who serve for a three year period after which they must stand down for one year before being eligible for re-election. The trustees for the year end up to the date this report was signed were:

Region 1

T Bastard
E Bunkum
A L Pascoe
O Rounsevell

Region 2

J Andrew
A H Bartley
A Brooks
G Hocking
J Tucker

Region 3

E G Hawkins
J W J Virgin

Region 4

D Nixey

Region 5

R A Ford
J White

Region 6

R E Hadley
R V Hartshorn

Region 7

D L Irving
A Threlkeld

N Bunkum, P Claridge, J C Coward, R R B Harvey, D M Thomas, and S Tucker retired at the AGM in 2020; and they were replaced by A Brooks, E Bunkum, E G Hawkins, D Nixey, A L Pascoe, and J Tucker.

A H Bartley, R A Ford, R V Hartshorn, G Hocking, D L Irving, and O Rounsevell will retire at the AGM in 2021 and are not eligible for re-election.

Recruitment of trustees

The trustees are nominated and elected by secret ballot by the members of the Society in their regions as and when vacancies arise.

Induction and training of trustees

The trustees are encouraged to access information from the Charities Commission website as to their roles and responsibilities, and a Charities Commission introductory publication is made available to them at the start of their term as trustee. There is no formal training but existing trustees assist new trustees with procedural practice, and help and advice is available from the Breed Secretary.

Officers of the Society

Chairman:	P Laity
Deputy Chairman:	E G Hawkins
Secretary:	Mrs C A Poultny

South Devon Herd Book Society

Trustees' Report

An Executive Committee appointed by Council formulates and carries out policy as directed by Council. Members of the Committee attend Council meetings but have no voting rights unless also Council members. The following were members of the Executive Committee during the year:

P Laity (Chairman)	C J Edwards	R E Hadley
E G Hawkins	N Hood	M R Rowe

Subsidiary committees – Breed Improvement and Breed Promotion – met during the year to formulate and carry out policy as directed by Council. Their members were appointed by Council. In addition, Judges Advisers met once with the Executive Committee.

Staff of the Society

The Breed Secretary, Mrs Caroline Poultney, has day to day responsibility for the running of the business. This includes promoting the breed nationally and overseas, organising events, sourcing advice for members and non-members, producing the Society's information publications and breed journal, and overseeing production of the Herd Book. She also advises the Council on policy matters and decisions. Mrs E Noble administers animal registrations and pedigree transfers, DNA records, member and animal records, and assists with office administration. Mrs E Burren keeps the Society's accounting records and assists with office administration and member and non-member enquiries.

Objectives

The Society exists to maintain the purity and improve the breeding of South Devon cattle in the United Kingdom of Great Britain and Northern Ireland or elsewhere throughout the world. This is carried out by:

- Producing and maintaining the South Devon Herd Book records
- Encouraging pedigree registrations, performance recording and DNA testing
- Advising members and the public through the media, and periodic publications
- Holding pedigree sales
- Promoting the breed at regional and national agricultural shows
- Recruiting new members
- Initiating research projects associated with breed development as appropriate

Public benefit

The trustees have complied with the duty in section 17 (5) of the 2011 Charities Act to have due regard to the guidance published by the Charity Commission.

The Society strives to inform the public and its members of the benefits of breeding South Devon cattle including for high welfare, nutritional and environmental concerns. It achieves this through its publications, website, social media platform, staging of publicity and information events, and participation at public industry events such as agricultural shows, exhibitions and open days. It sponsors youth activities and holds competitions specifically for younger members.

Through its work the Society promotes the South Devon breed as a grazing beef breed native to the UK, whose management helps to safeguard the environment in a high welfare, environmentally sustainable way by converting pasture to a high quality, healthy, consumable product.

The Society encourages its members to implement high biosecurity and welfare standards, and to protect their herds from a range of endemic cattle diseases by way of knowledge transfer and a financial incentive.

Review of activities

The year's activities were heavily influenced by the Covid-19 pandemic with most events having to be cancelled. Brexit negotiations continued to cast much uncertainty over the future of British agriculture; and the outline of governmental support was drafted in a new Agriculture Bill towards the end of the year. The pandemic led to a significant change in consumer buying trends, with a resurgence in local sourcing of clearly traceable high quality fresh food.

In the continuing very uncertain market conditions during this accounting period, female pedigree registrations were only slightly below 2019 although male registrations reduced by 10%. Pedigree transfers were clearly affected by the lack of public sales leading to a significant reduction of 45% during the period.

Member services included pedigree registrations, free performance recording, the administration of DNA testing, as well as a broad information service.

The Society's Spring Sale had to be cancelled due to the pandemic, but it proved possible to hold a successful Autumn Sale at Worcester. One herd dispersal sale at Exeter was supported with advertising and administration.

South Devon Herd Book Society

Trustees' Report

Routine DNA testing continued to contribute to the breed's on-going data collection as both part of on-going and future breeding programmes to include genomic information; and the female type classification scheme was made available to all South Devon breeders.

The Society made good use of on-line conference facilities to hold all its meetings after March, including the Annual General Meeting. This ability brought a reduction in costs and time resources for both staff and officers and meant that more frequent meetings could be held. The office could not be fully staffed between March and December due to social distancing regulations and staff welfare. Work was carried out predominantly from staff homes.

The Society's publications included: its own sale catalogue which was also published on its website; the breed Journal; semen lists; monthly BLUP evaluations; and thirteen newsletters.

The Society increased its financial incentives: to offer a free weight recording service to all members; to encourage a higher level of registrations at birth by offering credits against registration fees for non-breeding animals; to encourage membership of herd health schemes; and to subsidise the myostatin testing of registered bulls.

Financial review

The gross incoming resources for the year amounted to £203,221 (£262,986 in 2019). Total expenditure was £206,398 (£270,618 in 2019).

The results from the year from normal activities show a deficit of £3,177 compared to a deficit of £7,632 in the previous 12 months. There were net realised gains from investments of £4,955 (gains of £62,987 in 2019), resulting in a total net movement in funds of £1,778. The total investment portfolio value at the end of the year stood at £479,381 (£479,334 in 2019). Total charity funds at the end of the year stood at £588,889 (£587,111 at the end of 2019).

Statistical information/comment

<u>Membership</u>	<u>2020</u>	<u>2019</u>
Full	524	543
Associate & Retired	66	70
Life	34	34
Youth	2	2
Introductory	<u>18</u>	<u>5</u>
	<u>644</u>	<u>654</u>

<u>Registrations</u>	<u>2020</u>	<u>2019</u>	<u>Transfers</u>	<u>2020</u>	<u>2019</u>
Male	217	241	Male	98	131
Female	<u>2906</u>	<u>2973</u>	Female	<u>184</u>	<u>383</u>
	<u>3123</u>	<u>3214</u>		<u>282</u>	<u>514</u>

Investment Policy and Preference

The Society's investment objective is to maintain and enhance the value of the fixed assets over the long term to maintain and, if possible, to increase the income available for the purpose of the charity.

To achieve this objective the policy of the Society is to invest in a broad range of equities and fixed interest investments. The investments are regularly reviewed with the assistance of independent expertise and their performance compared with the appropriate indices.

Future Plans

A Business Plan is revised annually, which outlines the Society's objectives: to maintain the purity, improve the breeding, and promote the keeping of South Devon cattle in the United Kingdom or elsewhere in the world. Plans include the continued raising of standards at Society sales and the integrity of pedigree data; facilitating the availability of pedigree and other related information to members and non-members; encouraging the use of technical aids such as DNA testing, female type classification, and performance recording; promoting the breed to commercial beef producers; encouraging best practice in herd health; and a continuing project to build genomic predictors through DNA which is being evaluated by ABRI.

Risk Assessment

The Society's Risk Assessment has been reviewed in 2021, and a Register of Risks is maintained. Measures to reduce the exposure to risk are regularly reviewed. The Society has in place measures to acquire member permission for publication of their contact details on the website and in paper publications to protect personal data.

South Devon Herd Book Society

Trustees' Report

Reserves Policy

Unrestricted reserves at the end of the year totalled £588,889, of which £64,172 has been designated by the Trustees for particular purposes (as shown in the notes to the full accounts). This left general reserves of £524,717. The Trustees aim to maintain these reserves at a level sufficient to cover business running costs for a period of 12 months, taking into account the particular volatility of the agricultural industry. In addition, the policy is to keep surplus funds available for allocation to specific breed improvement and/or breed promotion activities as and when decided by the Trustees. Currently the Society is investing in one breed development project.

South Devon Herd Book Society

Trustees' Report

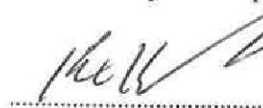
The trustees (who are also the directors of South Devon Herd Book Society for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The annual report was approved by the trustees of the charity on 30 March 2021 and signed on its behalf by:



.....
E G Hawkins
Trustee

South Devon Herd Book Society

Independent Examiner's Report to the trustees of South Devon Herd Book Society

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2020 which are set out on pages 16 to 38.

Respective responsibilities of trustees and examiner

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

Having satisfied myself that the accounts of South Devon Herd Book Society are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of South Devon Herd Book Society as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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



Charlotte Gibbs BFP ACA
Wortham Jaques Ltd
Chartered Accountants and Charity Advisers

130a High Street
Crediton
Devon
EX17 3 LQ

Date: 1 APRIL 2021

South Devon Herd Book Society

Statement of Financial Activities for the Year Ended 31 December 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2020 £
Income and Endowments from:			
Donations and legacies	3	33,679	33,679
Charitable activities	4	145,336	145,336
Other trading activities	5	12,539	12,539
Investment income	6	11,667	11,667
Total income		<u>203,221</u>	<u>203,221</u>
Expenditure on:			
Raising funds	7	(8,862)	(8,862)
Charitable activities	8	<u>(197,536)</u>	<u>(197,536)</u>
Total expenditure		<u>(206,398)</u>	<u>(206,398)</u>
Gains/losses on investment assets		<u>4,955</u>	<u>4,955</u>
Net income		<u>1,778</u>	<u>1,778</u>
Net movement in funds		1,778	1,778
Reconciliation of funds			
Total funds brought forward		<u>587,111</u>	<u>587,111</u>
Total funds carried forward	23	<u><u>588,889</u></u>	<u><u>588,889</u></u>

The notes on pages 13 to 32 form an integral part of these financial statements.

South Devon Herd Book Society

Statement of Financial Activities for the Year Ended 31 December 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2019 £
Income and Endowments from:			
Donations and legacies	3	36,119	36,119
Charitable activities	4	171,374	171,374
Other trading activities	5	40,198	40,198
Investment income	6	<u>15,295</u>	<u>15,295</u>
Total income		<u>262,986</u>	<u>262,986</u>
Expenditure on:			
Raising funds	7	(21,110)	(21,110)
Charitable activities	8	<u>(249,508)</u>	<u>(249,508)</u>
Total expenditure		(270,618)	(270,618)
Gains/losses on investment assets		<u>62,987</u>	<u>62,987</u>
Net income		<u>55,355</u>	<u>55,355</u>
Net movement in funds		55,355	55,355
Reconciliation of funds			
Total funds brought forward		<u>531,756</u>	<u>531,756</u>
Total funds carried forward	23	<u><u>587,111</u></u>	<u><u>587,111</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 and 2019 are shown in note 23.

South Devon Herd Book Society
(Registration number: 00035107)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	32,247	33,506
Investments	16	479,381	479,334
		<u>511,628</u>	<u>512,840</u>
Current assets			
Stocks	17	3,094	3,579
Debtors	18	53,022	53,552
Cash at bank and in hand	19	65,354	62,057
		121,470	119,188
Creditors: Amounts falling due within one year	20	(44,209)	(44,917)
Net current assets		<u>77,261</u>	<u>74,271</u>
Net assets		<u>588,889</u>	<u>587,111</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>588,889</u>	<u>587,111</u>
Total funds	23	<u>588,889</u>	<u>587,111</u>

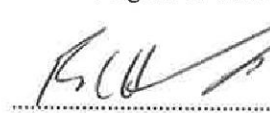
For the financial year ending 31 December 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 16 to 38 were approved by the trustees, and authorised for issue on 30 March 2021 and signed on their behalf by:



 E G Hawkins
 Trustee

The notes on pages 13 to 32 form an integral part of these financial statements.

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Westpoint
Clyst St Mary
Exeter
Devon
EX5 1DJ

These financial statements were authorised for issue by the trustees on 30 March 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

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

Going concern

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

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

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

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Donated services and facilities

Where services or facilities are provided to the Charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at its fair value unless its fair value cannot be reliably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £100.00 or more (other than trophies) are initially recorded at cost. Trophies are recorded as a donation at valuation and are capitalised in the year of donation.

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Show equipment and trophies	10% reducing balance
Office equipment	20% reducing balance
Computer equipment	20% reducing balance

Fixed asset investments

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

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

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO) method.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

Recognition and measurement

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

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

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

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

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

3 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Donations and legacies;		
Donations from individuals	904	904
Regular giving and capital donations	<u>32,775</u>	<u>32,775</u>
Total for 2020	<u>33,679</u>	<u>33,679</u>
Total for 2019	<u>36,119</u>	<u>36,119</u>

4 Income from charitable activities

	Unrestricted funds General £	Total funds £
Members' services	142,899	142,899
Breed development	<u>2,437</u>	<u>2,437</u>
Total for 2020	<u>145,336</u>	<u>145,336</u>
Total for 2019	<u>171,374</u>	<u>171,374</u>

5 Income from other trading activities

	Unrestricted funds Designated £	General £	Total funds £
Trading income;			
Sales of goods and services	-	1,444	1,444
Other trading income	-	9,160	9,160
Lotteries and competitions income	<u>968</u>	<u>967</u>	<u>1,935</u>
Total for 2020	<u>968</u>	<u>11,571</u>	<u>12,539</u>
Total for 2019	<u>2,872</u>	<u>37,326</u>	<u>40,198</u>

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

6 Investment income

	Unrestricted funds General £	Total funds £
Income from dividends;		
Dividends receivable from other listed investments	11,301	11,301
Interest receivable and similar income;		
Interest receivable on bank deposits	116	116
Interest receivable on other loans	250	250
Total for 2020	11,667	11,667
Total for 2019	15,295	15,295

7 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total funds £
Allocated support costs	9	387	387
Total for 2020		387	387
Total for 2019		421	421

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

b) Costs of trading activities

	Note	Unrestricted funds General £	Total funds £
Staff costs			
Costs of goods sold		1,022	1,022
Lotteries and competitions		806	806
Allocated support costs	9	707	707
Staff Costs		<u>2,467</u>	<u>2,467</u>
Total for 2020		<u>5,002</u>	<u>5,002</u>
Total for 2019		<u>17,012</u>	<u>17,012</u>

c) Investment management costs

	Note	Unrestricted funds General £	Total funds £
Other investment management costs;			
Amounts payable to investment managers		<u>3,473</u>	<u>3,473</u>
Total for 2020		<u>3,473</u>	<u>3,473</u>
Total for 2019		<u>3,677</u>	<u>3,677</u>
			Total costs £

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

8 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total funds £
Members' services		44,550	44,550
Breed development		12,042	12,042
Breed promotion		5,530	5,530
Staff costs		89,343	89,343
Allocated support costs	9	33,693	33,693
Governance costs	9	12,378	12,378
Total for 2020		<u>197,536</u>	<u>197,536</u>
Total for 2019		<u>249,508</u>	<u>249,508</u>

	Activity undertaken directly £	Activity support costs £	Total expenditure £
Members' services	44,550	96,257	140,807
Breed development	12,042	11,444	23,486
Breed promotion	5,530	15,335	20,865
Total for 2020	<u>62,122</u>	<u>123,036</u>	<u>185,158</u>
Total for 2019	<u>101,669</u>	<u>133,005</u>	<u>234,674</u>

£185,158 (2019 - £234,674) of the above expenditure was attributable to unrestricted funds and £Nil (2019 - £Nil) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £12,378 (2019 - £14,834) which relate directly to charitable activities. See note 9 for further details.

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

9 Analysis of governance and support costs

Support costs allocated to raising funds

	Basis of allocation	Information technology £	Staff costs £	Administration costs £	Premises costs including depreciation £	Total 2020 £
Costs of generating donations and legacies	A	16	988	226	145	1,375
Costs of trading activities	A	32	1,479	423	252	2,186
		48	2,467	649	397	3,561

	Basis of allocation	Information technology £	Staff costs £	Administration costs £	Premises costs including depreciation £	Total 2019 £
Costs of generating donations and legacies	A	16	1,015	254	30	1,435
Costs of trading activities	A	33	1,541	508	15	2,338
		49	2,556	762	45	3,773

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

Support costs allocated to charitable activities

	Basis of allocation	Information technology £	Staff costs £	Administration costs £	Premises costs including depreciation £	Total 2020 £
Members' services	A	729	66,575	17,888	11,066	96,258
Breed development	A	64	9,899	954	527	11,444
Breed promotion	A	709	12,869	1,096	660	15,334
Governance	A	48	4,175	830	396	5,449
		1,550	93,518	20,768	12,649	128,485
	Basis of allocation	Information technology £	Administration costs £	Premises costs including depreciation £	Other support costs £	Total 2019 £
Members' services	A	759	69,217	24,057	-	105,138
Breed development	A	65	9,897	1,488	-	11,992
Breed promotion	A	735	12,857	1,606	-	15,875
Governance	A	49	-	3,047	28	3,530
		1,608	91,971	30,198	28	136,535

Basis of allocation

Reference Method of allocation

A The amounts allocated to each activity are determined by the demand each activity has for each support resource.

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

Governance costs

	Unrestricted funds General £	Total funds £
Staff costs		
Wages and salaries	6,376	6,376
Social security costs	372	372
Pension costs	160	160
Other staff costs	21	21
Independent examiner fees		
Examination of the financial statements	2,700	2,700
Legal fees	35	35
Other governance costs	1,439	1,439
Allocated support costs	1,275	1,275
Total for 2020	12,378	12,378
Total for 2019	14,834	14,834

10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2020 £	2019 £
Other non-audit services	2,700	1,950
Depreciation of fixed assets	1,259	1,512

11 Trustees remuneration and expenses

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

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

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

12 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	90,878	92,527
Social security costs	5,017	6,222
Pension costs	2,167	2,026
Other staff costs	677	697
	<u>98,739</u>	<u>101,472</u>

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

	2020 No	2019 No
Charitable activities	<u>3</u>	<u>3</u>

3 (2019 - 3) of the above employees participated in the Defined Contribution Pension Schemes.

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

13 Independent examiner's remuneration

	2020 £	2019 £
Examination of the financial statements	<u>2,700</u>	<u>1,950</u>

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

14 Taxation

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

15 Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Trophies and show equipment £	Total £
Cost				
At 1 January 2020	13,909	22,177	33,208	69,294
At 31 December 2020	13,909	22,177	33,208	69,294
Depreciation				
At 1 January 2020	13,716	18,281	3,791	35,788
Charge for the year	39	778	442	1,259
At 31 December 2020	13,755	19,059	4,233	37,047
Net book value				
At 31 December 2020	154	3,118	28,975	32,247
At 31 December 2019	193	3,896	29,417	33,506

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

16 Fixed asset investments

Other investments

	Listed investments £	Cash deposits and unlisted investments £	Total £
Cost or Valuation			
At 1 January 2020	467,624	11,710	479,334
Revaluation	21,563	-	21,563
Additions	94,980	112,936	207,916
Disposals	(118,414)	(111,018)	(229,432)
At 31 December 2020	<u>465,753</u>	<u>13,628</u>	<u>479,381</u>
Net book value			
At 31 December 2020	<u>465,753</u>	<u>13,628</u>	<u>479,381</u>
At 31 December 2019	<u>467,624</u>	<u>11,710</u>	<u>479,334</u>

17 Stock

	2020 £	2019 £
Stocks	<u>3,094</u>	<u>3,579</u>

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

18 Debtors

	2020 £	2019 £
Trade debtors	42,562	35,889
Prepayments	4,429	4,265
Other debtors	6,031	13,398
	<u>53,022</u>	<u>53,552</u>

Debtors includes £2,997 (2019: £2,997) receivable after more than one year.

19 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	503	938
Cash at bank	64,851	61,119
	<u>65,354</u>	<u>62,057</u>

20 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	23,673	22,577
Other taxation and social security	8,030	6,064
Other creditors	5,365	11,108
Accruals	3,571	3,388
Deferred income	3,570	1,780
	<u>44,209</u>	<u>44,917</u>
	2020 £	2019 £
Deferred income at 1 January 2020	1,780	2,090
Resources deferred in the period	2,100	-
Amounts released from previous periods	(310)	(310)
Deferred income at year end	<u>3,570</u>	<u>1,780</u>

Deferred income includes:

Life membership subscription income released over 10 years with a total unexpired value of £1,470; and £2,100 received during this year as sponsorship for the National Show, which has been postponed until 2021. It has been agreed with the sponsors to hold this money until next year.

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

21 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £2,167 (2019 - £2,026).

22 Contingent liabilities

Registration fees paid will be credited upon application by the breeder who paid the registration fee where registered animals have been slaughtered before they are 30 months old. All applications must be made within 4 months of the animal's slaughter. The Society estimates the contingent liability arising to be in the region of £10,000 per year.

23 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2020 £
Unrestricted funds					
<i>General</i>					
Unrestricted funds	523,907	202,253	(206,398)	4,955	524,717
<i>Designated</i>					
National show	9,984	968	-	-	10,952
Genomic predictor	53,220	-	-	-	53,220
	<u>63,204</u>	<u>968</u>	<u>-</u>	<u>-</u>	<u>64,172</u>
Total funds	<u>587,111</u>	<u>203,221</u>	<u>(206,398)</u>	<u>4,955</u>	<u>588,889</u>

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2019 £
Unrestricted funds					
<i>General</i>					
Unrestricted funds	471,424	260,114	(270,618)	62,987	523,907
<i>Designated</i>					
National show	7,112	2,872	-	-	9,984
Genomic predictor	53,220	-	-	-	53,220
	<u>60,332</u>	<u>2,872</u>	<u>-</u>	<u>-</u>	<u>63,204</u>
Total funds	<u>531,756</u>	<u>262,986</u>	<u>(270,618)</u>	<u>62,987</u>	<u>587,111</u>

The specific purposes for which the funds are to be applied are as follows:

Designated Funds

National Show

Allocation of half the proceeds from the Auction of Promises (£2,000) together with the Club fund net income towards the costs of the 2021 National Show.

DNA Research

Council agreed in September 2014 to set aside up to £60,000 from the Society's reserves towards this project and the costs have amounted to £900 to date.

24 Analysis of net assets between funds

	Unrestricted funds General £	Designated £	Total funds at 31 December 2020 £
Tangible fixed assets	32,247	-	32,247
Fixed asset investments	475,166	-	475,166
Current assets	58,495	60,332	118,827
Current liabilities	<u>(44,209)</u>	<u>-</u>	<u>(44,209)</u>
Total net assets	<u>521,699</u>	<u>60,332</u>	<u>582,031</u>

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

	Unrestricted funds		Total funds at
	General	Designated	31 December
	£	£	2019
			£
Tangible fixed assets	33,506	-	33,506
Fixed asset investments	479,334	-	479,334
Current assets	58,856	60,332	119,188
Current liabilities	(44,917)	-	(44,917)
Total net assets	<u>526,779</u>	<u>60,332</u>	<u>587,111</u>

25 Related party transactions

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

A Bartley

(Trustee)

Purchases from the Society at arms-length value £517. At the balance sheet date the amount due from A Bartley was £130 (2019 - £Nil).

T J Bastard

(Trustee)

Purchases from the Society at arms-length value £708. At the balance sheet date the amount due to/from T J Bastard was £Nil (2019 - £Nil).

S A Brooks

(Trustee since 24 March 2020)

Purchases from the Society at arms-length value £124. At the balance sheet date the amount due to/from S A Brooks was £Nil (2019 - £Nil).

E J Bunkum

(Trustee since 24 March 2020)

Purchases from the Society at arms-length value £1,489. At the balance sheet date the amount due to E J Bunkum was £36 (2019 - £Nil).

J C Coward

(Trustee until 24 March 2020)

Purchases from the Society at arms-length value £72. At the balance sheet date the amount due to/from J C Coward was £Nil (2019 - £Nil).

R A Ford

(Trustee)

Purchases from the Society at arms-length value £622. At the balance sheet date the amount due from R A Ford was £550 (2019 - £384).

R E Hadley

(Trustee)

Purchases from the Society at arms-length value £343. At the balance sheet date the amount due from R E Hadley was £130 (2019 - £Nil).

R V Hartshorn

(Trustee)

Purchases from the Society at arms-length value £493. At the balance sheet date the amount due to/from R V Hartshorn was £Nil (2019 - £Nil).

South Devon Herd Book Society

Notes to the Financial Statements for the Year Ended 31 December 2020

R R B Harvey

(Trustee until 24 March 2020)

Purchases from the Society at arms-length value £84. At the balance sheet date the amount due to/from R R B Harvey was £Nil (2019 - £Nil).

E G Hawkins

(Trustee since 24 March 2020)

Purchases from the Society at arms-length value £1,259. At the balance sheet date the amount due from E G Hawkins was £482 (2019 - £Nil).

G T L Hocking

(Trustee)

Purchases from the Society at arms-length value £335. At the balance sheet date the amount due from G T L Hocking was £72 (2019 - £Nil).

D L Irving

(Trustee)

Purchases from the Society at arms-length value £785. At the balance sheet date the amount due from D L Irving was £70 (2019 - £18).

D P Nixey

(Trustee since 24 March 2020.)

Purchases from the Society at arms-length value £252. At the balance sheet date the amount due to/from D P Nixey was £Nil (2019 - £Nil).

A L Pascoe

(Trustee)

Purchases from the Society at arms-length value £352. At the balance sheet date the amount due to/from A L Pascoe was £Nil (2019 - £Nil).

O W T Rounsevell

(Trustee)

Purchases from the Society at arms-length value £87. At the balance sheet date the amount due to/from O W T Rounsevell was £Nil (2019 - £Nil).

D M Thomas

(Trustee until 24 March 2020)

Purchases from the Society at arms-length value £316. At the balance sheet date the amount due to/from D M Thomas was £Nil (2019 - £Nil).

A T Threlkeld

(Trustee)

Purchases from the Society at arms-length value £72. At the balance sheet date the amount due to/from A T Threlkeld was £Nil (2019 - £425).

J F Tucker

(Trustee)

Purchases from the Society at arms-length value £72. At the balance sheet date the amount due to/from J F Tucker was £Nil (2019 - £Nil).

J W J Virgin

(Trustee)

Purchases from the Society at arms-length value £732. At the balance sheet date the amount due from J W J Virgin was £338 (2019 - £Nil).

J M White

(Trustee)

Purchases from the Society at arms-length value £559. At the balance sheet date the amount due to/from J M White was £Nil (2019 - £2,301).