

THE BRITISH SIMMENTAL CATTLE SOCIETY LIMITED

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

Registered Charity Number: 264090

Company Number: 0985570

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2021**

**Burgis & Bullock
Chartered Accountants
23-25 Waterloo Place
Leamington Spa
Warwickshire
CV32 5LA**

THE BRITISH SIMMENTAL CATTLE SOCIETY LIMITED

FOR THE YEAR ENDED 30 JUNE 2021

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THE BRITISH SIMMENTAL CATTLE SOCIETY LIMITED
REPORT OF THE COUNCIL FOR THE YEAR ENDED 30 JUNE 2021

The Council present their report and financial statements for the year ended 30 June 2021.

Reference and administration information

Charity name: The British Simmental Cattle Society Limited.

Charity registration number: 264090

Company registration number: 0985570

Registered office and operational address: The National Agricultural Centre
 Stoneleigh Park
 Kenilworth
 Warwickshire
 CV8 2LG

Delegated Management: I Kerr

Council Members:

- W S Stronach (President)
- A N Robson (Vice President; Co-opted 26/10/20)
- J Moore (Chairman of Finance)
- C Martindale (Vice Chairman of Finance; Appointed 26/10/20)
- M Barlow (World Simmental Federation Representative)
- S Key (Chairman of Shows & Sales South)
- M Durno (Chairman of Shows & Sales North)
- B Wynter
- R Storer Smith (Appointed 26/10/20)
- K Thomas (Appointed 26/10/20)
- R Boyd (Re-Appointed 26/10/20)
- A Ivory (Appointed 26/10/20)
- D Jones (Appointed 26/10/20)
- A Clarke (Appointed 26/10/20)
- J Tallentire (Resigned 26/10/20)
- A Davies (Resigned 26/10/20)

All council members are also trustees and directors of the charity.

Accountants: Burgis & Bullock Chartered Accountants
 23-25 Waterloo Place
 Leamington Spa
 Warwickshire
 CV32 5LA

Bankers: Barclays Bank plc, Kent

Solicitors: Wright Hassall, Leamington Spa

THE BRITISH SIMMENTAL CATTLE SOCIETY LIMITED
REPORT OF THE COUNCIL FOR THE YEAR ENDED 30 JUNE 2021

Structure Governance and Management

Governing Document

The Society is a charitable company limited by guarantee and does not have a share capital. The Society was incorporated on 27th July 1970 and registered as a charity on 13th June 1972 (No.264090). The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Recruitment and Appointment of Council

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

The members of the Council shall be appointed in accordance with the provisions contained in the Memorandum & Articles of Association and until otherwise determined by a general meeting, the number of the members of the Council shall not be less than seven, nor more than twenty.

The Council, at its first meeting after each Annual General Meeting, shall elect a President and a Vice President from amongst its members by secret ballot to serve until the next Annual General Meeting.

Training and Induction of Trustees

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

Risk management

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

Every effort is made to ensure that all risks are kept to a minimum. The Council consider that insurance cover and reserves are adequate to ensure the continued operation of the Society in the event of the occurrence of any unexpected incident. These uncertain times in Agriculture regarding Brexit, Climate change, and Covid-19, remain the highest risks to the Society at the moment.

Objectives and activities

The principle activity and charitable objects of the Society are to promote to the general public, our members, and to commercial farmers, the benefits of the Simmental breed and the capabilities in terms of breeding quality stock to fit the requirements of today's market, both maternally and terminally.

There continues to be an increase in activities organised at local level and an increase in the knowledge of the breed conveyed to the public. The Society has also embraced the use of digital social media to promote the merits of the breed and share in its successes.

The British Simmental Cattle Society continues to retain and attract new members enabling us to fulfil our objectives. The Society also maintains a herd book for registration of cattle within the rules of the Society.

THE BRITISH SIMMENTAL CATTLE SOCIETY LIMITED
REPORT OF THE COUNCIL FOR THE YEAR ENDED 30 JUNE 2021

Achievements and performance

The Council held seven meetings during the year by electronic means. The meetings were concentrated on developing the business of the Society and reviewing and planning forward promotional and technical work.

Despite reduced entries due to the Covid-19 situation, the Society enjoyed some record-breaking averages at pedigree sales held in the year. Stirling in October 2020 saw an average of £5589 (+£411 on the year). The trade in February 2021 saw a breed record sale average of £6482 (+£1443 on the year), and a top price of 26,000gns, the second highest for a Simmental bull sold at auction in the UK. May 2021 saw a breed record average for that sale of £5345 (+£510), whilst Worcester in May also saw a record breed average for that sale of £4987.50 (+£977.50). Simmentals also led the all-breeds trade at Aberdeen in February 2021 with a bull at 8800gns. Continuing its aim to develop and growing pedigree sales in England, a new sale fixture was introduced at Melton Mowbray in March 2021, whilst plans were announced to the membership of a further new sale fixture, the Next Generation Female & Weaned Calf Sale, to be held in December 2021. There has also been an increasing demand for Simmental genetics abroad and with both live animals and semen exported in the year.

The online Simmental Market website, www.simmentalmarket.co.uk, was launched in 2020 to promote the availability of pedigree Simmental stock around the UK. The development of this website, as an added marketing tool for members, was continued through the year. The Society also developed and launched its new look website in the year, www.britishsimmental.co.uk. The new site will be a principle means of promoting the breed on behalf of members to the commercial sector and the industry at large.

In the year, the trade for all classes of commercial stock has again been strong. The Covid-19 situation has again affected the market by impacting heavily on the foodservice industry. In this same period the retail consumers have shown considerable support for the domestically produced beef product. Through the year, commercial Simmental bred cattle have performed well at markets around the UK and this has been highlighted by the Society through social media on a weekly basis. As per last year, the Society plans to continue to take a very commercial approach to the marketing and promotion of the breed and highlighting its flexibility, performance and profitability at every opportunity.

Through the year the Society moved its DNA services from Microsatellite (MS) technology to Single Nucleotide Polymorphism (SNP) technology. The transition is ongoing but was largely commenced from March 2021. The SNP technology will bring improved and more robust parentage verification, but will also give the ability to add more to a signal test and will give a platform for major gene testing as the Society considers valuable.

The summer show season was again heavily disrupted but, of the usual summer major shows, the breed did have entries and classes at the Royal Highland Showcase, and the Great Yorkshire Show respectively. In its second staging the 2021 British Simmental 'Virtual' Show proved to be a terrific breed promotion and showcase with over 750 animals entered from Simmental breeders around the UK. The show held over nine weeks online again attracted a fantastic domestic and international audience.

Public benefit

The Council consider that they have complied with their duty to have due regard to the guidance on public benefit, as published by the Charity Commission, in exercising their powers and duties. Through the year, heavily disrupted by Covid-19, the Society continued to promote the British Simmental breed to the agricultural industry and to the wider general public. Similarly it continued to follow its stated breeding programme to improve the breeding of British Simmental cattle in Great Britain and Northern Ireland. Core areas of work including maintaining an accurate herdbook; the organisation of pedigree sales; and the organisation of, and participation at, specialist events and shows of pedigree cattle were all continued. The Society continued its participation in the activities of national and international organisations promoting the interests of pedigree cattle and agriculture. The Society's annual Review publication comprised of 250 pages of articles and features promoting the British Simmental breed within UK agriculture. All of these activities are aimed at the promotion of agriculture for the public benefit.

Financial review

The net incoming resources for the year amounted to £105,210 which have been added to the reserves brought forward of £772,359 leaving fund balances of £877,569 at the year end. The Council consider the results to be satisfactory.

THE BRITISH SIMMENTAL CATTLE SOCIETY LIMITED
REPORT OF THE COUNCIL FOR THE YEAR ENDED 30 JUNE 2021

Investment Policy

The Trustees of the Society have considered the most appropriate policy for investing funds and have instructed our investment manager to implement a Discretionary Management Agreement. This gives the managers a better opportunity to make timely investment decisions on our behalf, whilst still working to the tight guidelines already laid down for the portfolio. We have agreed targets for income and capital growth which are monitored on a regular basis.

Policies on Reserves

The Council has examined the Society's requirements for reserves in the light of the main risks to the organisation. The Society aims to hold financial reserves that cover one year's budget expenditure. As at 30th June 2021, the Society held financial reserves of £877,569.

In terms of retained reserves, and with no designated building fund now in place, the Council will consider general reserves and forward expenditure in meeting charitable objectives. The Council has indicated that it will be looking to develop a meaningful and ongoing breed improvement programme that will include a transition to new DNA technologies and thereafter projects and development work that includes new genomic technologies. In addition, a new promotional and marketing strategy will see additional investment in the promotion of the breed throughout the industry and to the general public.

Members of the Council

Members of the Council who are Directors for the purposes of Company Law and are Trustees for the purposes of Charity Law, at the time of approval of the financial statements, are set out on page 1.

Approved by the Council on 08/09/21 and signed on its behalf by


W S Stronach
Director / Trustee

THE BRITISH SIMMENTAL CATTLE SOCIETY LIMITED
INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021

I report on the accounts of the company for the year ended 30 June 2021 which are set out on pages 6 to 17.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
 have not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

W A Hubbard

Wende Hubbard FCCA
 Burgis & Bullock
 Chartered Accountants
 23-25 Waterloo Place
 Leamington Spa
 Warwickshire, CV32 5LA

Date 8th September 2021

THE BRITISH SIMMENTAL CATTLE SOCIETY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR
THE YEAR ENDED 30 JUNE 2021

	Notes	2021	2021	2021	2020
		Unrestricted	Restricted	Total	Total
		£	£	£	£
Incoming resources					
Voluntary income					
Members subscriptions		51,410	-	51,410	52,037
Gift aid		7,613	-	7,613	8,208
Activities to generate funds					
Commission received		15,280	-	15,280	14,551
Advertisements		-	-	-	250
Publications		20,275	-	20,275	13,299
Shows and demonstrations		-	-	-	460
Promotional goods		666	-	666	1,285
Investment income		17,184	-	17,184	20,003
Administration services		11,007	-	11,007	28,788
Interest received		33	-	33	216
Charitable activities					
Registrations and DNA kits		255,289	-	255,289	234,455
Transfers		13,323	-	13,323	12,843
Bull levies		18,838	-	18,838	18,859
ABRI – performance recording		35,390	-	35,390	40,784
Other incoming resources					
Sundry income		512	-	512	1,561
Total incoming resources		446,820	-	446,820	447,599
Resources expended					
Costs of generating funds					
Advertising and breed promotion		35,365	-	35,365	32,468
Advertising		15,887	-	15,887	4,183
Shows and demonstrations		8,046	-	8,046	56,845
Allocations to area clubs		300	-	300	10,004
Promotional goods		6,448	-	6,448	1,326
Subscriptions and conference fees		1,211	-	1,211	1,282
Charitable activities					
Technical developments and website		24,599	-	24,599	24,797
Administration of registrations		84,403	-	84,403	36,913
Bull levy payments		12,243	-	12,243	14,818
Support costs					
Staff salaries, national insurance and subcontractors' fees		143,141	-	143,141	184,192
Travel and expenses		-	-	-	150
Computer costs		332	-	332	325
Office running costs		40,101	-	40,101	61,917
50th Anniversary Costs		374	-	374	290
Accounting and other professional charges		14,177	-	14,177	33,758
Depreciation		1,815	-	1,815	3,642
Governance costs					
Independent examination		4,600	-	4,600	4,500
Council travel and expenses		2,415	-	2,415	3,680
Total resources expended		395,457	-	395,457	475,090
Net incoming/outgoing resources		51,363	-	51,363	-27,491
Gains / (losses) on investment assets					
Realised		-2,514	-	-2,514	-1,516
Net income/(expenditure) for the year	2	48,849	-	48,849	-29,007
Unrealised		56,361	-	56,361	-19,020
Net movements in funds		105,210	-	105,210	-48,027
Transfer between fund		-169	169	-	-
Total funds brought forward		772,528	-169	772,359	820,386
Total funds carried forward		877,569	-	877,569	772,359

THE BRITISH SIMMENTAL CATTLE SOCIETY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES FOR
THE YEAR ENDED 30 JUNE 2021 (CONTINUED)

	Notes	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Incoming resources		446,820	-	446,820	447,599
Resources expended		395,457	-	395,457	475,090
Net incoming resources	3	51,363	-	51,363	-27,491
Gains / (losses) on investment assets					
Realised		-2,514	-	-2,514	-1,516
Unrealised		56,361	-	56,361	-19,020
Net movements in funds		105,210	-	105,210	-48,027
Transfer between funds		-169	169	-	820,386
Total funds brought forward		772,528	-169	772,359	820,386
Total funds carried forward		<u>877,569</u>	<u>-</u>	<u>877,569</u>	<u>772,359</u>

The notes and schedule to the Statement of Financial Activities on pages 11-17 form an integral part of these financial statements.

THE BRITISH SIMMENTAL CATTLE SOCIETY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR
THE YEAR ENDED 30 JUNE 2021 (CONTINUED)

Prior Financial Year	Notes	2020	2020	2020	2019
		Unrestricted	Restricted	Total	Total
		£	£	£	£
Incoming resources					
Voluntary income					
Members subscriptions		52,037	-	52,037	54,578
Gift aid		8,208	-	8,208	8,376
Activities to generate funds					
Commission received		14,551	-	14,551	23,648
Advertisements		250	-	250	-
Publications		13,299	-	13,299	19,325
Shows and demonstrations		460	-	460	80
Promotional goods		1,285	-	1,285	1,555
Investment income		20,003	-	20,003	22,459
Administration services		28,788	-	28,788	21,354
Interest received		216	-	216	270
Charitable activities					
Registrations and DNA kits		234,455	-	234,455	239,193
Transfers		12,843	-	12,843	13,314
Bull levies		18,859	-	18,859	20,992
ABRI – performance recording		40,784	-	40,784	40,808
Other incoming resources					
Sundry income		1,561	-	1,561	7,176
Total incoming resources		<u>447,599</u>	<u>-</u>	<u>447,599</u>	<u>473,128</u>
Resources expended					
Costs of generating funds					
Advertising and breed promotion		32,468	-	32,468	28,027
Advertising		4,183	-	4,183	5,019
Shows and demonstrations		56,845	-	56,845	123,626
Allocations to area clubs		10,004	-	10,004	9,863
Promotional goods		1,326	-	1,326	1,819
Subscriptions and conference fees		1,282	-	1,282	93
Charitable activities					
Technical developments and website		24,797	-	24,797	31,777
Administration of registrations		36,913	-	36,913	28,185
Bull levy payments		14,818	-	14,818	15,786
Support costs					
Staff salaries, national insurance and subcontractors fees.		184,192	-	184,192	172,425
Travel and expenses		150	-	150	866
Computer costs		325	-	325	2,668
Office running costs		61,917	-	61,917	48,502
50th Anniversary Costs		290	-	290	1,116
Accounting and other professional charges		33,758	-	33,758	14,211
Depreciation		3,642	-	3,642	5,069
Governance costs					
Audit / independent examination		4,500	-	4,500	4,500
Council travel and expenses		3,680	-	3,680	6,718
Total resources expended		<u>475,090</u>	<u>-</u>	<u>475,090</u>	<u>500,270</u>
Net incoming/outgoing resources		<u>-27,491</u>	<u>-</u>	<u>-27,491</u>	<u>-27,142</u>
Gains / (losses) on investment assets					
Realised		-1,516	-	-1,516	-724
Net income/(expenditure) for the year	2	<u>-29,007</u>	<u>-</u>	<u>-29,007</u>	<u>-27,866</u>
Unrealised		-19,020	-	-19,020	13,334
Net movements in funds		<u>-48,027</u>	<u>-</u>	<u>-48,027</u>	<u>-14,532</u>
Transfer between funds		-	-	-	-
Total funds brought forward		<u>820,555</u>	<u>-169</u>	<u>820,386</u>	<u>834,918</u>
Total funds carried forward		<u>772,528</u>	<u>-169</u>	<u>772,359</u>	<u>820,386</u>

THE BRITISH SIMMENTAL CATTLE SOCIETY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES FOR
THE YEAR ENDED 30 JUNE 2021 (CONTINUED)

Prior Financial Year

	Notes	2020 Unrestricted £	2020 Restricted £	2020 Total £	2019 Total £
Incoming resources		447,599	-	447,599	473,128
Resources expended		475,090	-	475,090	500,270
Net incoming resources	3	-27,491	-	-27,491	-27,142
Gains / (losses) on investment assets					
Realised		-1,516	-	-1,516	-724
Unrealised		-19,020	-	-19,020	13,334
Net movements in funds		-48,027	-	-48,027	-14,532
Total funds brought forward		820,555	-169	820,386	834,918
Total funds carried forward		<u>772,528</u>	<u>-169</u>	<u>772,359</u>	<u>820,386</u>

The notes and schedule to the Statement of Financial Activities on pages 11-17 form an integral part of these financial statements.

THE BRITISH SIMMENTAL CATTLE SOCIETY LIMITED
BALANCE SHEET
AS AT 30 JUNE 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	6		4,646		4,782
Investments	7		718,304		647,461
			<u>722,950</u>		<u>652,243</u>
Current assets					
Debtors	9	86,924		77,290	
Cash at bank and in hand		133,679		118,211	
		<u>220,603</u>		<u>195,501</u>	
Creditors: amounts falling due within one year	10	(65,984)		(75,385)	
		<u></u>		<u></u>	
Net current assets			154,619		120,116
Net assets			<u>877,569</u>		<u>772,359</u>
Funds					
Unrestricted					
Unrestricted funds	12		788,287		683,784
Designated funds	12		89,282		88,744
Restricted funds	12		-		(169)
			<u>877,569</u>		<u>772,359</u>

For the year ending 30 June 2021 the company 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 company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The Financial Statements on pages 6-17 were approved by the Council on 08/09/21 and signed on its behalf by:


W S Stronach
Director / trustee
Company registration number: 0985570

THE BRITISH SIMMENTAL CATTLE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

The Society is a charitable company limited by guarantee and does not have a share capital. The Society was incorporated in England and Wales on 27th July 1970 and registered in England and Wales as a charity on 13th June 1972 (No.264090). The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The registered office is The National Agricultural Centre, Kenilworth, Warwickshire, CV8 2LG.

Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is not a large charity.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that The British Simmental Cattle Society Limited has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Annual subscriptions are due one calendar year to 31 July. The July element of the subscription is carried forward as deferred income.

Resources expended

Expenditure is accounted for on an accruals basis.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation or impairment.

Depreciation is calculated so as to write off the cost of tangible fixed assets using the methods described below:

	Rate	Method
Leasehold premises	2.4%	Straight line
Office fixtures and equipment	20%	Straight line
Computer equipment	33.3%	Straight line

THE BRITISH SIMMENTAL CATTLE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (continued)

Investments

Investments are stated in the balance sheet at mid-market value in accordance with SORP. Movements in market value are shown in the Statement of Financial Activities.

Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged in arriving at the operating surplus on a straight line basis over the lease term.

Creditors

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

Debtors

Debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid after taking account of any discounts due.

Life Membership Fund

At each year end an amount equal to one-twenty-fifth of the total Life Membership subscriptions is credited to subscriptions received in the Income and Expenditure Account. New Life Membership subscriptions are credited to the fund. 5% of the balance of the fund at the start of the year is transferred from the Profit and Loss Account to the credit of the Life Membership Fund to ensure that adequate funds are retained to meet the future costs of servicing Life Members.

Building Fund

The annual transfer from Accumulated Funds to the Building Fund corresponds with the provision for depreciation, which will amortise the cost of the leasehold premises over the period of the lease. 5% of the balance of the Building Fund at the start of the year is also transferred. The Fund has been set up to provide capital for the purchase of new property when the present lease expires on 31 December 2019.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

The charity operates a defined benefit contributions pension scheme. Contributions are charged in the financial statements as they become payable in accordance with the rules of the scheme.

Fund accounting

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

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund.

Consolidation

The company and its subsidiary comprise a small group. The company has therefore taken advantage of the exemption provided by section 402 of the Companies Act 2006 not to prepare group accounts.

THE BRITISH SIMMENTAL CATTLE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (continued)

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets include fixed asset investments, debtors, cash and bank balances. Debtors, cash and bank balances are measured at transaction price including transaction costs. Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net gains/ (losses) for the year. Transaction costs are expensed as incurred.

Basic financial liabilities include creditors and accruals which are measured at transaction price (cash or expected settlement amount).

2 Key judgements and estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Life Membership Fund is held to ensure that adequate funds are retained to meet the future costs of servicing Life members. The trustees have estimated that one-twenty-fifth of the total Life Membership subscriptions received should be credited to the income and expenditure account to meet annual servicing costs. The trustees estimate that 5% of the balance of the Life Membership Fund at the start of the year should be transferred from the profit and loss account in order to meet future servicing costs.

3	Net income	2021	2020
		£	£
	This is stated after charging:		
	Depreciation of tangible fixed assets	1,815	3,642
	Operating lease costs	5,789	11,504
	Independent examiner's remuneration	4,600	4,500
		<u> </u>	<u> </u>
4	Staff costs	2021	2020
		£	£
	Salaries (including temporary staff)	109,630	55,734
	Social security costs	4,974	2,358
	Pension costs	3,652	2,046
		<u> </u>	<u> </u>
		<u>118,256</u>	<u>60,138</u>

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4 Staff costs (continued)

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

	2021	2020
	Number	Number
Administration	3	2
	<u> </u>	<u> </u>

No employee received emoluments of more than £60,000

5 Independent examiners' remuneration

Fees payable to the company's examiner and its associates:

	2021	2020
	£	£
For independent examination services		
Independent examination of the company's financial statements	4,600	4,500
	<u> </u>	<u> </u>
For other services		
Accountancy services	7,726	9,273
	<u> </u>	<u> </u>

6 Tangible fixed assets

	Office fixtures & equipment £	Computer equipment £	Total £
Cost			
At 1 July 2020	75,285	96,905	172,190
Additions	-	1,679	1,679
Disposals	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 30 June 2021	75,285	98,584	173,869
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 July 2020	72,811	94,597	167,408
Charge for the year	582	1,233	1,815
On disposals	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 30 June 2021	73,393	95,830	169,223
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 30 June 2021	1,892	2,754	4,646
	<u> </u>	<u> </u>	<u> </u>
At 30 June 2020	2,474	2,308	4,782
	<u> </u>	<u> </u>	<u> </u>

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7 Investments

	2021	2020
	£	£
Listed investments held 1 July 2020	647,460	662,219
Purchases at cost	385,267	144,703
Sales proceeds	(367,594)	(138,926)
Realised (losses) sales	(2,514)	(1,516)
Unrealised gains /(losses) on revaluation to market value	55,684	(19,020)
Listed investments held on 30 June 2021	718,303	647,460
Shares in Breedline Services Limited	1	1
	718,304	647,461

Subsidiary company

The Society owns 100% of the issued ordinary share capital of Breedline Services Limited (incorporated in the UK, company number 05158868). Breedline Services Limited is currently a company in name only, with no income, expenditure or assets. The investment is therefore worth £1 only, and group accounts have not been prepared as they would not be materially different from the Society's accounts.

8 Financial instruments

	2021	2020
	£	£
Carrying amount of financial assets		
<i>Instruments measured at fair value through net income/expenditure</i>		
Listed investments	718,303	647,460

Fixed asset investments are subject to normal market risks associated with the holding of listed investments. The fixed asset investments are managed by professional investment managers.

9 Debtors

	2021	2020
	£	£
Debtors	52,028	40,220
Prepayments	27,175	28,585
Other debtors	7,721	8,485
	86,924	77,290

10 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade Creditors	23,185	34,901
Income received in advance	4,501	4,671
Value added tax	10,257	13,710
Accruals	25,950	21,436
PAYE	2,091	667
	65,984	75,385

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11 Deferred income	2021	2020
	£	£
Total deferred income at 1 July 2020	4,671	4,698
Amounts received in year	4,501	4,671
Amounts credited to statement of financial activities	(4,671)	(4,698)
	<u>4,501</u>	<u>4,671</u>
Total deferred income at 30 June 2021	<u>4,501</u>	<u>4,671</u>

Deferred income relates to membership subscriptions paid in advance and scanning credits to be paid to members.

12 Analysis of funds	At	Incoming	Resources	Investment	Transfers	At
	01.07.20	resources	expended	gains	between	30.06.21
	£	£	£	£	funds	£
Unrestricted funds:						
General fund	683,784	446,820	(395,457)	53,847	(707)	788,287
Designated funds:						
Building fund	-	-	-	-	-	-
Life Members fund	88,744	-	-	-	538	89,282
Restricted funds						
Young members	(169)			-	169	-
	<u>772,359</u>	<u>446,820</u>	<u>(395,457)</u>	<u>53,847</u>	<u>-</u>	<u>877,569</u>

The Young members fund is restricted to the purpose of knowledge expansion and development of young members (aged 0-30) in The British Simmental Cattle Breed.

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13 Operating lease commitments

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Land and buildings		
Within one year	3,590	3,590
Between two and five years	14,360	14,360
Over five years	46,371	49,961
	<u>64,321</u>	<u>67,911</u>
 Office equipment		
Within one year	2,199	2,199
Between two and five years	3,297	5,469
	<u>5,496</u>	<u>7,668</u>

14 Pension – Defined contribution

During the year, the charity paid contributions of £3,652 (2020: £2,046).

Contributions of £nil (2020: £nil) were outstanding at the year end.

15 Transactions with trustees/ council members and other related parties

During the year, the charity paid for the council members travel expenses for the purposes of council meetings totalling £2,415 (2020: £3,680) in connection with carrying out the charity's activities. No trustee received remuneration for services during the year. Key management salary costs amounted to £36,737 in the year.

During the year, the charity paid consultancy fees to key management and specialist veterinary advice amounting to £15,250 (2020: £101,000).

16 Controlling Party

The charity is under the control of its council members.