

Charity Registration No. 252271

Company Registration No. 00018573 (England and Wales)

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J C Whitby (Chairman) S Bland (Finance Director) J Dickinson M Davis M Logan D Hume (Appointed 7 August 2019)
Secretary	E Horn
Charity number	252271
Company number	00018573
Registered office	Bishopbrook House Cathedral Avenue WELLS Somerset BA5 1FD
Independent examiner	Tim Lerwill, FCA Old Mill Accountancy LLP Bishopbrook House Cathedral Avenue WELLS Somerset BA5 1FD

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

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THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

This is my second report as Chairman of the Society.

2019 was dominated by political hiatus until a new government was elected and the path to formal Brexit was found. As bemused spectators there was not much we could do but we did witness and empathise with our suppliers and milk buyers frustrations as they built stocks and resilience as one Brexit deadline after another faltered.

However, one constant is change and the dairy industry continues to consolidate with the UK Jersey cow well placed to respond. Dairy farmers ignore the efficiency of the Jersey cow at their peril.

At Society level one of the highlights was the February inaugural Jersey Breeders' Day, held at the Clandeboye Estate near Bangor, County Down in Northern Ireland. It brought together eminent industry speakers offering key messages and excellent knowledge transfer and is certainly something I propose we should repeat round the country, perhaps on a biannual basis.

This year the Society's annual general meeting was held in Northamptonshire at the home of the renown Barnowl herd who were also celebrating fifty years since they were established.

The AGM saw agreement for the amendment of the societies articles to encourage greater inclusivity. It also saw an announcement of a bi-lateral working arrangement with the Scandinavian breeding company Viking genetics. The aim of the agreement is to identify UK bulls and bull mothers to enter the Viking stud. Those members furnishing these animals would be well rewarded and all members would have access to premium Viking genetics. As part of this agreement I travelled to Denmark on two occasions in the autumn to champion our interests.

Our third national show of recent times, held as part of the Bath and West Show in October, built on the success of the previous year. Our stand, spotlighting the Jersey cow, won best in show.

The ever-popular Jersey Young Breeders weekend took place in Wales. The Society is immensely grateful for the members who open their farm to enable young enthusiasts of our breed to come together. These events foster knowledge of the Jersey cow, whilst enabling like-minded young persons to meet and possibly forge new friendships.

Rebecca Hurd, our field officer, has done sterling work to represent our breed at shows and events up and down the country and continues engaging with members encouraging registrations and participation in events. Her empathy and enthusiasm, particularly amongst the younger members, is a key asset to our Society.

During the year the President Lena Lewis passed the baton to John Stubbs and we continue to be involved in the World Jersey Cattle Bureau and European Jersey Forum.

In reading these and previous accounts, our Society continues to see a deficit from net expenditure year on year. This is despite the fact we have seen a proportional increase in the membership services income recently. The deficit is largely reflected in projects that the board felt important all of which were carefully debated and budgeted for.

Looking further forward it is clear at some point we will see a 'limit' to the level of income we can obtain from membership services sales (unless we expand the service range or look for more ways of joint working). Even if we captured every Jersey eligible pedigree registration, there are only so many cows in the UK and cow numbers are predicted to continue to fall.

In the light of this we are fortunate that our judicious predecessors have ensured that the Society can endure for many years to come. This is not to say that the board have been reckless or are in any way nonchalant about their responsibilities as guardians of the Society. Just like all good farmers and business leaders we strive to find new and innovative ways forward.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

CHAIRMAN'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

During my tenure as Chairman we will continue to do this. I welcome comments and constructive criticism.

In concluding, I register my sincere thanks to my fellow directors all of whom devote considerable efforts to the advancement of the Society and its members. I also record my thanks to our diligent office team Emma and Allison for all their hard work in achieving the effective support of the board and the delivery of the day to day management and administration of the Society's membership, finance, herd book, events, competitions and services.

That we can achieve all of this is a remarkable feat and something all members can be justifiably proud of. We are punching well above our weight.

.....

J C Whitby
Chairman

Dated:

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

FINANCE DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

This is my second report as Finance Director of the Jersey Cattle Society of the UK.

I can report we have made a £8,058 surplus (page 10).

Income (incoming resources) & Expenditure (outgoing resources)

The Society has continued to see an increase in the income received from membership services in 2019.

This is the Society's main income stream outside of annual subscriptions and the board acknowledges the imperative to continue to develop the income of the Society going forwards.

The board, at each meeting, receive updates on the finances of the Society. The board has taken the decision to allocate funds to cover the cost of existing activities or new service development where it believes it would be best to serve its members whilst fulfilling the charitable objectives and aims. It has therefore been impossible to deliver a cash neutral budget in recent years. In 2019 a deficit of £19,780 (income received less expenditure incurred, shown on page 10) was made mainly as a result of increased expenditure in governance and professional fees.

Balance Sheet

This year the board took the decision to source an independent investment advisor who would be able to review the Society's investments held with the Addington Fund and St James Place as well as the endowment funds. The review will be designed to help verify that the Society has a long term robust financial footing and that the security of the Society's fund is optimised.

Further, in September of 2019, the board completed a partial redemption of the loan originally invested in the Addington Trust in 2006 and 2007. For clarity, the loan invested with the Addington Fund backed the purchase of three properties, with each property having a set overage period of 15 years from the date in which the deed was signed.

The original purchase price of the investment redeemed in 2019 was £224,000. As part of the redemption process the Society obtained an independent red book revaluation which saw the Society receive an additional £8,319 (page 21) on the overall return. This was the difference between the annual revaluations and the actual return of the investment when liquidated.

The overall return from investment, including the overage fee, was £306,000, giving an uplift to the Society of £80,000 on the original investment. The redemption of this investment is reflected in the balance sheet where the value has moved from fixed assets to current assets (page 12).

Investments held with St James Place have performed better this year than in the previous year with a return of £18,715. A further £804 increase was seen in the revaluation of the Addington investment, resulting in total revaluation gains of £19,519 (page 21).

Overall, I can report your Society continues to retain net assets of £991,727 (page 12) an increase of £8,058.

Activity 2019

The Board continues to support and promote the Jersey cow, its milk and produce.

This year we approved show attendance where it was deemed a presence was beneficial. We supported the first Members Day to be held in Northern Ireland and also the National Show, now in its third year, continued to be a resounding success.

Funds were allocated to continue support of our Young Breeders with the Young Breeders Weekend held in August and the All Britain All Breeds Calf Show held in October.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

FINANCE DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

The Society also continued to represent the UK and the Jersey breed at the World Jersey Cattle Bureau meeting held in Rwanda.

In line with the Society's charitable objectives the board allocated funds for professional fees and directors time to develop the Viking Genetics Breeding Agreement, a new membership service with further resources providing a timely update to the Society's articles of association.

The management of the Society's investments and development of a new membership service were carried out in accordance to charity guidelines and with due diligence.

Donations

The Avril Caddey Endowment Fund shows a revaluation gain of £13,623 (page 10 & note 21 on page 24), of which this year the Society allocated funds of £5,000 towards supporting the costs of Jersey Young Breeders and production of the publication The UKJT.

With the sad passing of our Society's President Elect and Member, Mr Frank Poskitt, the Society received an extremely generous donation in memory of Mr Poskitt of £1,925.00. This amount forms part of the total Restricted Funds shown on page 10. (Explained further in note 3 on page 18 & note 20 on page 24). The Restricted Fund is to be used to encourage and support the growth of Jersey Young Breeders.

Pavilion

The Pavilion still generates income that not only covers the cost of running the pavilion but provides a small surplus. However, as I write this, the go-ahead for HS2 has been given, so we must be ready for any opportunities that arise from HS2 and act accordingly.

Conclusion

The society in 2019 reported a balance sheet surplus of £8,058 against a deficit of £19,780. The board, all of whom are unpaid volunteers, have continued to deliver what it perceives are projects and opportunities that are in line with the well-defined charitable objectives of the Society. The support and development of young breeders is a case in point. The society continues to have a strong balance sheet and has the resources to endure for many years to come.

As the UK dairy industry continues to consolidate I believe your breed society is well placed not just to react but to lead the way as we look to new ways to cooperate, drive down cost and become more efficient whilst still championing the Jersey cow and her milk.

.....

S Bland

Finance Director

Dated:

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees present their report and financial statements for the year ended 31 December 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the Jersey Cattle Society's governing document, 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)" (effective 1 January 2019).

The charity's full name is The Jersey Cattle Society of the United Kingdom. The charity also trades under the name Jersey Cattle Society Limited.

Objectives and activities

Policies and objectives

The charitable objectives as set out in the Memorandum are to maintain the purity and to improve the genetic merit of Jersey Cattle bred in the United Kingdom and to generally promote the breed of Jersey cattle and in particular to promote the knowledge and interest in the Jersey cattle bred by members of the Society.

The objectives are achieved as follows:

- compiling a Herd Book of Jersey cattle, acquiring its copyrights, collating information, investigating pedigree, offering assistance in the settlement of any disputes by contesting parties;
- by holding shows of Jersey cattle;
- by encouraging membership of the Society;
- by providing a complete membership service for audit trails for all the Jersey breed;
- by providing breed improvement; and
- by providing an online system for membership services.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Jersey Cattle Society should undertake.

Activities for achieving objectives

The Society continued to support and participate in the running of the following annual events and activities; The All Britain photographic competition, JCS Judges Workshop, Milk Production Awards, Jersey Young Breeders Weekend, The JCS National Show, the All Breeds All Britain Calf Show, Breeding Programme Cooperative Agreement, attendance at the World Jersey Cattle Bureau and European Jersey Forum Meetings, attendance when requested to meetings of Jersey Cattle Area Clubs run by volunteers, attendance at specific county & national agricultural shows and sales to promote the Jersey cow, its milk and produce, society membership, pedigree animal registrations and associated services.

Public benefit

In setting the objectives and planning the activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Volunteers

The Society is very grateful for the work of the volunteers who assist at Society events from time to time.

Achievements and performance

The achievements and performance of the charity are set out in the Chairman's Report.

Financial review

The financial review of the charity is set out in the Finance Director's Report.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2019

Reserves policy

The reserves of the charity are those funds that are freely available to be spent in the furtherance of the Society's objects.

The trustees consider that it is necessary to hold reserves to enable the Society to continue to carry out its charitable activities in a climate of uncertain future income streams and potential unforeseen costs. The trustees have reviewed the current level of reserves and consider them to be adequate.

Free Reserves

	2019	2018
	£	£
Total funds	991,727	983,669
Less: Endowment funds	(91,328)	(82,705)
Less: Endowment funds	(2,521)	-
Less: Fixed assets only realisable on disposal	(66,615)	(69,724)
	<hr/>	<hr/>
Free reserves	<u>831,263</u>	<u>831,240</u>

The trustees has assessed the major risks to which the Jersey Cattle Society is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

The future of the Society will be on the continued development of the Society's Breed Development Plan to meet industry markets, the promotion of the Jersey Cow as commercial animal and development value added services for the Society's Members, whilst maintaining the breed's purity and integrity.

Structure, governance and management

Constitution

The charity is registered as a charitable company limited by guarantee, it was set up by a Memorandum of Association on 10 July 1883 (amended Articles of Association 7 August 2019), and registered as a charity on 8 November 1968.

The charity is constituted under its Articles of Association and is a registered charity number 252271.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

J C Whitby (Chairman)	
S Bland (Finance Director)	
H Cox (Vice Chair)	(Resigned 7 August 2019)
J Dickinson	
M Davis	
M Logan	
G Parsons	(Resigned 28 January 2020)
D Hume	(Appointed 7 August 2019)
T Bunney	(Appointed 7 August 2019 and resigned 2 November 2019)

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2019

The management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

After the Annual General Meeting in August 2019, John Whitby remained as Chairman and Steven Bland remained as Finance Director.

Organisational structure and decision making

The appointed trustees report directly to the Chairman who is appointed by the trustees to manage the day to day running of the charity.

The entire board meet on a regular basis and, when required, meetings are held by conference call.

Contractors:

The Charity contracts a Field Service Officer to obtain animal registration whilst promoting membership and the Jersey cow.

The Charity contracts a third party provider to manage animal registration, performance testing and record genetic/genomic evaluations of animals either registered or to be registered in the Herd Book.

The Charity contracts a third party to manage and deliver the daily activities of the charity and to deliver specific pieces of work or events as instructed by the Board of Trustees.

The charity has a set process in place to provide a newly elected trustee with the required support and guidance in their role as a trustee.

The charity has a programme of training for newly appointed trustees.

The charity is linked to area clubs throughout the UK and with many other Jersey Societies worldwide.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of trustees' responsibilities

The trustees, who are also the directors of The Jersey Cattle Society of the United Kingdom for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts 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. 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then 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 accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Jersey Cattle Society will continue in operation.

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

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies At 2006.

The trustees' report was approved by the Board of Trustees.

.....
J C Whitby (Chairman)

Dated:

.....
S Bland (Finance Director)

Dated:.....

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

I report on the financial statements of the Jersey Cattle Society for the year ended 31 December 2019, which are set out on pages 10 to 26.

Respective responsibilities of trustees and examiner

The trustees, who are also the directors of The Jersey Cattle Society of the United Kingdom 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.

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:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
- (iii) to 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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements 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
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Tim Lerwill, FCA
Old Mill Accountancy LLP

Bishopbrook House
Cathedral Avenue
WELLS
Somerset
BA5 1FD

Dated:

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £	Total 2018 £
Income from:						
Donations and legacies	3	1,210	1,925	-	3,135	2,496
Incoming resources from charitable activities	4	202,470	-	-	202,470	183,825
Fundraising income	5	15,937	-	-	15,937	16,951
Investments	6	16,744	-	-	16,744	17,877
Total income		236,361	1,925	-	238,286	221,149
Expenditure on:						
Raising funds	8	14,142	-	-	14,142	10,758
Charitable activities	7	238,924	-	5,000	243,924	211,334
Total resources expended		253,066	-	5,000	258,066	222,092
Net gains/(losses) on investments	12	14,215	-	13,623	27,838	(33,409)
Net (outgoing)/incoming resources before transfers		(2,490)	1,925	8,623	8,058	(34,352)
Gross transfers between funds		(596)	596	-	-	-
Net movement in funds		(3,086)	2,521	8,623	8,058	(34,352)
Fund balances at 1 January 2019		900,964	-	82,705	983,669	1,018,021
Fund balances at 31 December 2019		897,878	2,521	91,328	991,727	983,669

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	All income funds	
	2019	2018
	£	£
Gross income	238,286	221,149
Gains/(losses) on investments	14,215	(32,940)
	<hr/>	<hr/>
Total income in the reporting period	252,501	188,209
	<hr/>	<hr/>
Total expenditure from income funds	(253,066)	(222,092)
	<hr/>	<hr/>
Net expenditure for the year	(565)	(33,883)
	<hr/> <hr/>	<hr/> <hr/>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	13		66,615		69,724
Investments	14		556,229		834,537
			<u>622,844</u>		<u>904,261</u>
Current assets					
Stocks	15	2,169		2,097	
Debtors	16	73,130		68,456	
Cash at bank and in hand		371,647		76,830	
		<u>446,946</u>		<u>147,383</u>	
Creditors: amounts falling due within one year	18	(78,063)		(67,975)	
Net current assets			368,883		79,408
Total assets less current liabilities			<u>991,727</u>		<u>983,669</u>
Capital funds					
Endowment funds - general	21		91,328		82,705
Income funds					
Restricted funds	20		2,521		-
Unrestricted funds			897,878		900,964
			<u>991,727</u>		<u>983,669</u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2019

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The accounts were approved by the Trustees on 28 April 2020

J C Whitby (Chairman)
Trustee

S Bland (Finance Director)
Trustee

Company Registration No. 00018573

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2019

1 Critical accounting estimates and judgements

In the application of the Jersey Cattle Society's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Estimated useful lives of tangible fixed assets

In determining the estimated useful life the Society considers the expected physical wear and tear of the asset that could lead to obsolescence of the asset. Each year the charity reviews the above to establish if there is any change in the expected useful life of tangible assets.

2 Accounting policies

Charity information

The Jersey Cattle Society of the United Kingdom is a private company limited by guarantee incorporated in England and Wales. The registered office is Bishopbrook House, Cathedral Avenue, WELLS, Somerset, BA5 1FD. The business address is The Studio @ The Mill, Mill Lane, Little Shrewley, Warwick, CV35 7HN.

2.1 Accounting convention

The accounts have been prepared in accordance with the Jersey Cattle Society'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)" (effective 1 January 2019). The Jersey Cattle Society is a Public Benefit Entity as defined by FRS 102.

The Jersey Cattle Society has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

2.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the Jersey Cattle Society 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 accounts.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Accounting policies

(Continued)

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Jersey Cattle Society.

2.4 Incoming resources

Income is recognised when the Jersey Cattle Society is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Jersey Cattle Society has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Jersey Cattle Society has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Donated services or facilities which comprise donated services are included in income at a valuation which is an estimate of the financial cost borne by the donor where such cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Deferred income represents amounts received for future periods and is related to incoming resources in the period for which it has been received. Income is only deferred when:

- Fees are received in advance of the event to which they date;
- The donor specifies that the grant of donation must only be used in future accounting periods; and
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Interest is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or repayable by the bank.

2.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probably that settlement will be required and the amount of the obligation can be measured reliably.

Fundraising costs are those incurred in seeking voluntary contributions and include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Accounting policies

(Continued)

2.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Short-term leasehold property	Term of lease
Office equipment	10%-50% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

All assets costing more than £500 are capitalised.

Silver cups and trophies are maintained in such a state of repair that their estimated residual value is not less than their carrying amount and thus the annual charge for depreciation is £nil.

2.7 Fixed asset investments

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 income/(expenditure) for the year. Transaction costs are expensed as incurred.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Accounting policies

(Continued)

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.10 Financial instruments

The Jersey Cattle Society has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Jersey Cattle Society's balance sheet when the Jersey Cattle Society 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

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Jersey Cattle Society's contractual obligations expire or are discharged or cancelled.

2.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Donations and legacies

	2019 £	2019 £	2019 £	2018 £
Donations and gifts	1,210	1,925	3,135	2,496
	<u>1,210</u>	<u>1,925</u>	<u>3,135</u>	<u>2,496</u>
For the year ended 31 December 2018	<u>2,496</u>	<u>-</u>		<u>2,496</u>

4 Incoming resources from charitable activities

		2019 £	2018 £
Membership services		136,257	120,076
Show/WJCB (sponsorship) income		1,282	1,346
Youth income		1,550	2,836
Publication income		15,021	13,250
Subscriptions		46,737	45,634
Sundry income		1,623	683
		<u>202,470</u>	<u>183,825</u>

5 Fundraising income

		2019 £	2018 £
Fundraising income		15,937	16,951
		<u>15,937</u>	<u>16,951</u>

6 Investments

		2019 £	2018 £
Investment properties		9,944	11,774
Interest receivable		6,800	6,103
		<u>16,744</u>	<u>17,877</u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Charitable activities

	2019	2018
	£	£
Membership services	67,797	54,600
Field officer	35,392	33,819
Field officer expenses	4,659	3,366
Youth costs	4,354	5,207
Publication	18,551	16,357
Show costs	11,337	7,457
WJCB costs	3,507	3,601
Other costs	-	583
	<u>145,597</u>	<u>124,990</u>
Share of support costs (see note 10)	73,642	78,492
Share of governance costs (see note 10)	24,685	7,852
	<u>243,924</u>	<u>211,334</u>
	<u>243,924</u>	<u>211,334</u>
Analysis by fund		
Unrestricted funds	238,924	211,334
Endowment funds - general	5,000	-
	<u>243,924</u>	<u>211,334</u>
	<u>243,924</u>	<u>211,334</u>
For the year ended 31 December 2018		
Unrestricted funds	<u>211,334</u>	
	<u>211,334</u>	

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Raising funds

	2019 £	2018 £
<u>Costs of generating donations</u>		
Promotional costs	3,695	3,369
Jersey House pavilion costs	10,447	7,389
	<u>14,142</u>	<u>10,758</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but six were reimbursed a total of £2,420 travelling expenses (2018: three were reimbursed £799).

10 Support costs

	Support costs £	Governance costs £	2019 £	2018 £
Depreciation	3,109	-	3,109	3,545
Advertising and promotional	809	-	809	600
Rent	1,200	-	1,200	1,200
Insurance	3,192	-	3,192	3,327
Postage, stationery & IT	10,859	-	10,859	9,027
Telephone & fax	1,253	-	1,253	1,527
Accountancy	2,800	-	2,800	2,900
Subcontractors (inc. CEO)	46,343	-	46,343	51,896
Bank charges	1,200	-	1,200	1,189
Other support costs	2,877	-	2,877	3,281
Independent Examiner's fee	-	1,300	1,300	1,300
Legal & professional fees	-	17,009	17,009	3,864
Society meetings	-	3,088	3,088	1,889
Trustee expenses	-	3,288	3,288	799
	<u>73,642</u>	<u>24,685</u>	<u>98,327</u>	<u>86,344</u>
	<u>73,642</u>	<u>24,685</u>	<u>98,327</u>	<u>86,344</u>
Analysed between				
Charitable activities	73,642	24,685	98,327	86,344
	<u>73,642</u>	<u>24,685</u>	<u>98,327</u>	<u>86,344</u>

In addition to the Independent examiner fees shown above, included within support costs are fees payable to the Independent examiner in respect of accountancy and other services of £2,800 (2018:£2,900).

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

11 Employees

There were no employees during the year.

12 Net gains/(losses) on investments

	Unrestricted funds	Endowment funds general	Total	Total
	2019	2019	2019	2018
	£	£	£	£
Revaluation of investments	5,896	13,623	19,519	(33,409)
Gain/(loss) on sale of investments	8,319	-	8,319	-
	<u>14,215</u>	<u>13,623</u>	<u>27,838</u>	<u>(33,409)</u>
For the year ended 31 December 2018	<u>(32,940)</u>	<u>(469)</u>		<u>(33,409)</u>

13 Tangible fixed assets

	Short-term leasehold property	Office equipment	Total
	£	£	£
Cost			
At 1 January 2019	124,377	23,641	148,018
At 31 December 2019	<u>124,377</u>	<u>23,641</u>	<u>148,018</u>
Depreciation and impairment			
At 1 January 2019	76,814	1,480	78,294
Depreciation charged in the year	3,109	-	3,109
At 31 December 2019	<u>79,923</u>	<u>1,480</u>	<u>81,403</u>
Carrying amount			
At 31 December 2019	<u>44,454</u>	<u>22,161</u>	<u>66,615</u>
At 31 December 2018	<u>47,563</u>	<u>22,161</u>	<u>69,724</u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

14 Fixed asset investments

	Listed investments	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 31 December 2019	203,710	630,827	834,537
Valuation changes	18,715	804	19,519
Disposals	-	(297,827)	(297,827)
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2019	222,425	333,804	556,229
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 31 December 2019	222,425	333,804	556,229
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2018	203,710	630,827	834,537
	<u> </u>	<u> </u>	<u> </u>

Investments individually representing more than 5% total:

	£
St James Corporate Bond Unit Trust	72,508
St James Far East Unit Trust	53,589
St James UK High Income Unit Trust	96,328
Addington Fund	<u>333,804</u>
	<u>556,229</u>

15 Stocks

	2019	2018
	£	£
Finished goods and goods for resale	2,169	2,097
	<u> </u>	<u> </u>

16 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	66,031	62,130
Other debtors	4,775	4,124
Prepayments and accrued income	2,324	2,202
	<u> </u>	<u> </u>
	73,130	68,456
	<u> </u>	<u> </u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

17	Financial instruments		2019	2018
			£	£
	Carrying amount of financial assets			
	Debt instruments measured at amortised cost		70,806	66,254
	Equity instruments measured at cost less impairment		556,229	834,537
			<u> </u>	<u> </u>
	Carrying amount of financial liabilities			
	Measured at amortised cost		29,380	17,263
			<u> </u>	<u> </u>
18	Creditors: amounts falling due within one year		2019	2018
			£	£
		Notes		
	Other taxation and social security		8,711	11,166
	Deferred income	19	39,972	39,546
	Trade creditors		19,048	5,382
	Accruals and deferred income		10,332	11,881
			<u> </u>	<u> </u>
			78,063	67,975
			<u> </u>	<u> </u>
19	Deferred income		2019	2018
			£	£
	Arising from subscription renewals		39,972	39,546
			<u> </u>	<u> </u>
	Current liabilities		39,972	39,546
			<u> </u>	<u> </u>
			39,972	39,546
			<u> </u>	<u> </u>
	Movement in the year		2019	2018
			£	£
	At 1 January 2019		39,546	39,544
	Amount released to income earned from charitable activities		(39,546)	(39,544)
	Amount deferred in the year		39,972	39,546
			<u> </u>	<u> </u>
	At 31 December 2019		39,972	39,546
			<u> </u>	<u> </u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 December 2019
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Jersey Young Breeders	-	1,925	-	596	2,521
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Jersey Young Breeders Fund - To encourage and support the growth of Jersey Young Breeders.

21 Endowment funds

Endowment funds represent assets which must be held permanently by the Jersey Cattle Society. Income arising on the endowment funds can be used in accordance with the objects of the Jersey Cattle Society and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Movement in funds				Balance at 31 December 2019
	Balance at 1 January 2019	Incoming resources	Resources expended	Gains/(Losses)	
	£	£	£	£	£
Permanent endowments					
Avril Caddey	82,705	-	(5,000)	13,623	91,328
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	82,705	-	(5,000)	13,623	91,328
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Prior Year	Movement in funds				Balance at 31 December 2018
	Balance at 1 January 2018	Incoming resources	Resources expended	Gains/(Losses)	
	£	£	£	£	£
Permanent endowments					
Avril Caddey	83,174	-	-	(469)	82,705
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	83,174	-	-	(469)	82,705
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Avril Caddey Trust Fund - the capital cannot be spent. The income can be used for promotion and youth and to fund an annual lunch for the paid staff (at such time when the Society is a registered employer) and is included within unrestricted funds.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Fund balances at 31 December 2019 are represented by:				
Tangible assets	66,615	-	-	66,615
Investments	464,901	-	91,328	556,229
Current assets/(liabilities)	366,362	2,521	-	368,883
	897,878	2,521	91,328	991,727
	897,878	2,521	91,328	991,727

Prior Year	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Fund balances at 31 December 2018 are represented by:				
Tangible assets	69,724	-	-	69,724
Investments	751,832	-	82,705	834,537
Current assets/(liabilities)	76,887	2,521	-	79,408
	898,443	2,521	82,705	983,669
	898,443	2,521	82,705	983,669

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

23 Operating lease commitments

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

	2019	2018
	£	£
Within one year	5,637	5,637
Between two and five years	16,100	18,084
In over five years	40,183	43,836
	<u>61,920</u>	<u>67,557</u>
	<u><u>61,920</u></u>	<u><u>67,557</u></u>

Amounts recognised in the statement of financial activities as a cost during the period in respect of operating lease arrangements amounted to £5,637 (2018:£5,637).

24 Related party transactions

The Directors are volunteers who individually, or in partnership with others, are involved in the production and/or procurement of Jersey cattle and/or their milk. As such they have a trading relationship with The Jersey Cattle Society of the UK through the purchase of membership services' to register, as applicable, their Jersey cattle as pedigree.

The trustee Mr M Davis is a director of Kivell's Auctioneers. Kivell's pay the Society a transfer fee for each pedigree animal sold at a Kivell's sale.