

THE WELSH BLACK CATTLE SOCIETY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees have pleasure in presenting their report together with the financial statements for the Welsh Black Cattle Society for the year ended 31 December 2019.

The legal and administrative information set out on page 5 forms part of this report. This report and the financial statements comply with the Charities Act 2011, the constitution of the Charitable Incorporated Organisation 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 2015).

Purposes and Aims

The Society was established to promote and maintain the purity of the Welsh Black Cattle breed. The Society benefits the public by promoting Wales's only native breed of cattle and produces a Herd Book annually confirming the full traceability of cattle registered during the year.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Organisation

The Charity was registered with the Charity Commission on 14th January 2015, as a Charitable Incorporated Organisation (CIO) with Charity number 1159937. The Society Patron is HRH The Prince of Wales KG, KT, GCB, OM, AK, QSO, PC, ADC. The Charity previously operated as an unincorporated charity, Welsh Black Cattle Society, formed in 1904.

The Finance & General Purposes Committee is responsible for financial and policy issues and makes recommendations to the Council. The Committees meet at least four times per year.

Membership Contribution to Society Activities

The Council Chairman and all members of Council continue to address the day-to-day running of the Society and all volunteers are appreciated. Council is further supported by a Part-time Breed Secretary and the Young Member Ambassador.

The three regional clubs, the North and South Wales Clubs and the English Association, are important direct local points of contact for new members and have been proven to be of great benefit to all Society members in their respective areas.

How our activities deliver public benefit

Office Staff and the Secretary are providing a service to members and the general public, both on the phone and e-mail as well as attending organised events held to promote the breed each year.

The Society produces Newsletters and a Journal which include annual news, results and information regarding the breed progress and Society activities. The Journal also provides a useful item of promotion. The Society 'Herd Book' is published to give details of all cattle registrations and these can also be found on the Society website on www.welshblackcattlesociety.com.

The Welsh Black animal is a hardy breed, able to withstand the conditions of our climate and compliment sheep to graze areas of wet and high altitude which, in turn, benefits wildlife habitats, producing the environmental benefits that the public desire.

The Society promotes the marketing of Welsh Black beef benefitting farmers and consumers, who deserve to know the traceability of food production.

The Society also organises several pedigree sales each year. The purpose of the sales is to gather together in one sale sufficient numbers of pedigree cattle to enable farmers thinking of starting a new pedigree herd to access the cattle they require. It also allows established breeders the opportunity to choose and purchase the cattle they require to improve their herd, and the breed. The Society polices these sales, ensuring pedigrees are correct, that all bulls have been DNA tested and that the Johnne's disease status is declared for all cattle on sale. This promotes and maintains the purity and health of the breed. The sales and qualities of the breed are promoted at agricultural shows, farm visits and competitions, and advertising in the national press and TV and radio coverage.

Developments during 2019

During the Royal Welsh Winter Fair, Lesley Griffiths A.M., Minister for Environment, Energy and Rural Affairs, announced that the Society were to launch an exclusive scheme in partnership with the Kepak Group, which will provide a premium to suppliers of quality Welsh Black Cattle.

Many other events were attended throughout the year to promote the breed. In September our Presidents, Mr Robert John Evans, Mr Elwyn Pryce Evans, Mr William Hefin Evans and their families hosted a very successful open day on their farms near Harlech.

Officials and members met with our Patron, His Royal Highness The Prince of Wales on two occasions this year. Firstly, at Farmers Marts in Dolgellau and then at the Royal Welsh Show, where he spent a considerable amount of time in the judging ring with the exhibitors.

Financial Information and Future Development

As Trustees we are committed in safeguarding the future of the Society and we hope to continue to improve on our current financial position during the current year. We hope to achieve this through continued success at our sales and

increased registrations of cattle. Breed promotion will also be a key focus during the current year. The statement of financial activity shown on page 12 shows total incoming resources in the general fund of £100,363 compared with £107,779 recorded in 2018.

The expenditure has decreased from £111,808 to £100,693.

A deficit for the year is £330

Pay policy for senior staff

The Trustees consider that the Council members comprise the key management personnel of the charity, in charge of directing and controlling, running and operating the charity. All Trustees give of their time freely and no trustee received remuneration in the year. Details of Trustee expenses and related party transactions are disclosed in note 8 to the accounts.

Reserves policy and risk management

The unrestricted reserves of the society are shown at £354,165. Included in these reserves are fixed assets of £130,711 and investments of £128,968. The current net assets of the unrestricted fund amount to £94,486. This should be sufficient to provide short term day to day operating capital and to cover six months expenditure if no other income was received.

Trustees responsibilities in relation to the financial statements

The Charities Act 2011 requires the Trustees of the charity to prepare financial statements for each financial year that gives a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing the financial statements the Trustees should follow best practice and

- Select suitable accounting policies and apply them constantly
- Make judgements and estimates that are reasonable and prudent
- Follow applicable accounting standards and the Charity's SORP, disclosing and explaining any departures in the financial statements; and
- The Trustees are responsible for keeping accounting records that are such as to disclose, with reasonable accuracy, the financial position of the charity at any time, and to enable them as Trustees to ensure that the financial statements comply with charity law. The Trustees are also responsible for safeguarding the charity's assets, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees of the Welsh Black Cattle Society on Wednesday 11th March 2020 and signed on its behalf by:

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Mr Meredydd Jones , Chairman
Board of Trustees
Welsh Black Cattle Society.

INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF THE WELSH BLACK CATTLE SOCIETY

I report to the trustees on my examination of the accounts of the Welsh Black Cattle Society for the year ended 31st December 2019, which are set out on pages 12 to 20.

Responsibilities and basis of report

As the charity trustees of the Welsh Black Cattle Society you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable 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 material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

David Chidley
W. J. Matthews & Son
Chartered Accountants
Caernarfon
Gwynedd

Dated:

THE WELSH BLACK CATTLE SOCIETY
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2019

	<i>Notes</i>	2019 £	2018 £
<i>Income</i>			
Subscriptions and donations	3	31,222	29,946
Income from charitable activities	4	51,201	60,320
Income from commercial operations	5	16,652	16,983
Investment income	6	1,288	530
Total Income		<hr/> £100,363 <hr/>	<hr/> £107,779 <hr/>
<i>Expenditure</i>			
Expenditure on charitable activities	7	<hr/> 100,693 <hr/>	<hr/> 111,808 <hr/>
Net expenditure and net movement in funds for the year		(330)	(4,029)
<i>Reconciliation of funds</i>			
<i>Total funds brought forward</i>		<hr/> 354,495 <hr/>	<hr/> 358,524 <hr/>
<i>Total funds carried forward</i>		<hr/> £354,165 <hr/>	<hr/> £354,495 <hr/>

All gains and losses recognised in the year are included in the Statement of Financial Activities.
All income and expenditure derives from continuing activities.

THE WELSH BLACK CATTLE SOCIETY

BALANCE SHEET

as at 31 December 2019

	Notes	2019 £	2018 £
Fixed Assets			
Tangible assets	9	130,711	136,475
Investments	10	128,968	128,734
		<hr/>	<hr/>
		259,679	265,209
 Current Assets			
Stock		1,000	1,000
Debtors	11	23,756	24,320
Cash at bank and in hand	12	92,805	78,964
		<hr/>	<hr/>
		117,561	104,284
 Current Liabilities: <i>amounts falling due within one year</i>	13	<hr/> (23,075)	<hr/> (14,998)
 Net current assets		<hr/> 94,486	<hr/> 89,286
 Net assets		<hr/> £354,165	<hr/> £354,495
 Income Funds			
<i>Unrestricted funds</i>			
General Fund	15	£354,165	354,495
		<hr/>	<hr/>
		£354,165	£354,495
		<hr/>	<hr/>

Approved by the Trustees of the Welsh Black Cattle Society on 9th May, 2020 and signed on its behalf by:

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Edward Williams

THE WELSH BLACK CATTLE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

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 (FRS102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011. The financial statements are prepared in sterling, which is the functional currency of the entity.

The Welsh Black Cattle Society meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note.

(b) Preparation of accounts on a going concern basis

The Trustees are of the opinion that there are no reasons why the charity accounts should not be prepared under the going concern provisions.

(c) Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

The charity has entitlement to the funds;

- Any performance conditions attached to the items of income have been met or are fully within the control of the charity;
- There is sufficient certainty that receipt of the income is considered probable; and
- The amount can be measured reliably.

Subscriptions are accounted for in the period to which they relate.

Income from services are accounted for when the services are provided.

(d) Expenditure and irrecoverable VAT

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

Charitable activities include expenditure associated with projects and include the direct costs and support costs relating to those activities.

(e) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when restricted by the donor or when funds are raised for particular restricted purposes.

THE WELSH BLACK CATTLE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1. Accounting policies

(f) Tangible fixed assets

Fixed assets are stated at cost. The cost of minor additions or those costing below £100 are not capitalised. Depreciation is provided on all assets in order to write down the cost or valuation of fixed assets to their expected residual value in equal instalments over their expected useful lives as follows:

Building	2%
Office Furniture and Equipment	10%
Computer Equipment	33%

(g) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

(h) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term deposits.

(i) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in 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 trade discounts.

(j) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as a basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Legal Status of the Trust

The Trust is a Charitable Incorporated Organisation registered with the Charity Commission on 14 January 2015.

THE WELSH BLACK CATTLE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31December 2019 (Continued)

	2019 £	2018 £
3. Subscriptions and donations		
Subscriptions	24,061	25,063
President's donation	2,000	1,000
Sponsorship and awards	5,161	3,883
	<hr/> £31,222	<hr/> £29,946
4. Income from charitable activities		
Registration fees	26,950	30,782
Private Herd Books, Volumes etc.	5,347	5,631
<i>The Journal</i> : Advertising	1,625	2,875
Auction levies	4,256	4,564
Auction commission	4,256	4,564
Transfer fees	2,801	3,520
Steer pedigree certificate	5,616	7,734
Prefix fees	350	650
	<hr/> £51,201	<hr/> £60,320
5. Income from commercial operations		
Sale of straws	-	118
Calendar sales	966	1,043
Rental income	1,200	1,660
Catering	14,200	13,931
Website advertising	140	140
Other income	146	91
	<hr/> £16,652	<hr/> £16,983
6. Investment income		
Income from National Savings Bank	252	226
Bank interest	1,036	304
	<hr/> £1,288	<hr/> £530

THE WELSH BLACK CATTLE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019 (Continued)

7. Total Resources expended	Total 2019 £	Total 2018 £
Wages	19,098	31,163
ABRI Breed Plan	6,736	8,274
Printing of Herd Book	3,540	5,065
Publicity	2,783	1,634
Sundry printing	6,125	6,267
Expenditure at shows, auctions and events	4,593	3,906
Photographs and engraving	1,779	931
Travel costs	2,637	2,412
Semen purchase and collection	202	192
Depreciation	4,864	4,952
Governance costs	13,056	13,343
Support costs	35,280	33,669
	£100,693	£111,808

Analysis of governance and support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. All costs are in respect of the charity's principal objectives.

	General Support £	Governance Function £	Total 2019 £	Total 2018 £
Salaries	7,824	7,574	15,398	18,601
Rent, rates and lighting	7,338	-	7,338	6,546
Insurances	2,016	-	2,016	2,195
Meetings	-	182	182	250
Website	683	-	683	393
Stationery, postage and telephone	8,228	-	8,228	8,420
Software	1,306	-	1,306	858
Subscriptions	390	-	390	215
Independent examination	-	1,775	1,775	1,700
Professional fees	213	3,525	3,738	4,394
Repairs and renewals	629	-	629	654
Leasing	4,101	-	4,101	-
Bank charges	107	-	107	15
Bad debts	644	-	644	1,513
Depreciation	900	-	900	899
Other	901	-	901	359
	£35,280	£13,056	£48,336	£47,012

THE WELSH BLACK CATTLE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (Continued)

8. Analysis of staff costs, trustee remuneration and expenses and the costs of key management personnel.

	2019 £	2018 £
Wages and salaries	33,996	49,264
Pension costs	500	500
	<hr/> £34,496	<hr/> £49,764

The average number of full time equivalent employees was 2 (2018 -3). No employees had employee benefits in excess of £60,000. There were no prepaid pension payments or accruals of pension costs at the year-end (2018 – NIL).

The key management personnel of the charity are its trustees. No fees or salaries were paid to any trustees during the year (2018 – NIL). No repayments were made to any trustee for expenses incurred (2018 – NIL). No charity trustee received payment for professional or other services supplied to the charity (2018 – NIL).

9. Fixed assets

	<i>Land and Buildings</i> £	<i>Furniture and Equipment</i> £	<i>Total</i> £
Cost			
At 1 January 2019	163,376	49,675	213,051
At 31 December 2019	<hr/> £163,376	<hr/> £49,675	<hr/> £213,051
Depreciation			
At 1 January 2019	34,049	42,527	76,576
Charge for the year	3,268	2,496	5,764
At 31 December 2019	<hr/> £37,317	<hr/> £45,023	<hr/> £82,340
Net Book Value			
At 31 December 2019	<hr/> £126,059	<hr/> £4,652	<hr/> £130,711
At 31 December 2018	<hr/> £129,327	<hr/> £7,148	<hr/> £136,475

THE WELSH BLACK CATTLE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (Continued)

10. Investments

	Opening balance £	Transferred £	Closing balance £
National Savings Bank Investment Account	22,734	234	22,968
National Savings Bank Income Bonds	6,000	-	6,000
Deposit Bond	100,000	-	100,000
	<hr/> £128,734	<hr/> £234	<hr/> £128,968

All the investment assets are in the United Kingdom.

11. Debtors

	2019 £	2018 £
Trade Debtors	16,650	16,727
Other debtors	7,106	7,593
	<hr/> £23,756	<hr/> £24,320

12. Cash at Bank and in Hand

	2019 £	2018 £
General Account	7,267	2,493
Deposit Account	76,986	67,919
Breed Development Account	8,502	8,502
Cash in hand	50	50
	<hr/> £92,805	<hr/> £78,964

13. Creditors: amounts falling due within one year

	2019 £	2018 £
Taxation and social security	4,022	3,219
Accruals	19,053	11,779
	<hr/> £23,075	<hr/> £14,998

THE WELSH BLACK CATTLE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (Continued)

14. Corporation Tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

15. Funds

Unrestricted funds

	Balance 31 December 2018 £	Income £	Expenditure £	Balance 31 December 2019 £
General Fund	354,495	100,363	100,693	354,165

Unrestricted funds – previous year

	Balance 31 December 2017 £	Income £	Expenditure £	Balance 31 December 2018 £
General Fund	358,524	107,779	111,808	354,495

16. Analysis of Fund Balances between Net Assets as at 31 December 2019

General Fund	Total 2019 £	Total 2018 £
Fixed assets	259,679	265,209
Cash at bank and in hand	92,805	78,964
Other net current assets	1,681	10,322
Total Net Assets	£354,165	£354,495

Sufficient resources are held to enable each fund to be applied in accordance with the restrictions imposed.