

The Welsh Black Cattle Society

Report of the trustees for the year ended 31 December 2020

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 2020.

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.

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 two regional clubs, the North and South Wales Clubs 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 a Newsletters and a Journal which includes 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 also 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 Johnes'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.

2020 Overview

2020 started as usual with the winter sale at Dolgellau but it soon turned to be a year like no other with the cancellation of all summer shows and events, and Society as many others soon come accustomed with terms such as Lockdown, Zoom meetings and online sales. During the year our Society staff were on furlough and flexi furlough as a result of the Covid-19 pandemic and the Society must acknowledge that the covid-19 subsidy and Powys County Council grant assisted the Society with the absence of the usual funds received from Streamline catering.

Financial Information and Future Development

The statement of financial activity shown on page 12 shows total incoming resources in the general fund £94,720 compared with £100,363 recorded in 2019.

The expenditure has decreased from £100,693 to £75,427.

A surplus for the year is £19,293

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 £373,458. Included in these reserves are fixed assets of £125,079 and investments of £29,218. The current net assets of the unrestricted fund amount to £219,161. 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 Monday 2nd August, 2021 and signed on its behalf by:

Mr Meredydd Jones, Chairman

Board of Trustee

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 2020, which are set out on pages 12 - 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
11-15 Bridge Street,
Caernarfon,
Gwynedd.

Dated: 3 August 2021

Welsh Black Cattle Society

Statement of Financial Activities for the year ended 31 December 2020

	<i>Notes</i>	2020 £	2019 £
<i>Income</i>			
Subscriptions and donations	3	22,386	31,222
Income from charitable activities	4	45,509	51,201
Income from commercial operations	5	509	16,652
Investment income	6	914	1,288
Other income		24,402	-
Total Income		<u>94,720</u>	<u>100,363</u>
<i>Expenditure</i>			
Expenditure on charitable activities	7	<u>75,427</u>	<u>100,693</u>
Net income and net movement in funds for the year		19,293	(330)
<i>Reconciliation of funds</i>			
<i>Total funds brought forward</i>		<u>354,165</u>	<u>354,495</u>
<i>Total funds carried forward</i>		<u>£373,458</u> =====	<u>£354,165</u> =====

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

Welsh Black Cattle Society

Balance Sheet as at 31 December 2020

	<i>Notes</i>	2020 £	2019 £
Fixed Assets			
Tangible assets	9	125,079	130,711
Investments	10	29,218	128,968
		<hr/>	<hr/>
		154,297	259,679
Current Assets			
Stock		1,000	1,000
Debtors	11	23,113	23,756
Cash at bank and in hand	12	210,366	92,805
		<hr/>	<hr/>
		234,479	117,561
Current Liabilities: <i>amounts falling due within one year</i>	13	(15,318)	(23,075)
		<hr/>	<hr/>
Net current assets		219,161	94,486
		<hr/>	<hr/>
Net assets		373,458	354,165
		<hr/>	<hr/>
Income Funds			
<i>Unrestricted funds</i>			
General Fund	15	373,458	354,165
		<hr/>	<hr/>
		373,458	354,165
		<hr/>	<hr/>

Approved by the Trustees of the Welsh Black Cattle Society on 2nd May 2021 and signed on its behalf by:

Edward Williams

Welsh Black Cattle Society

Notes to the financial statements for the year ended 31 December 2020

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.

Welsh Black Cattle Society

Notes to the financial statements *for the year ended 31 December 2020*

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.

Welsh Black Cattle Society

Notes to the financial statements for the year ended 31 December 2020 (Continued)

	2020	2019	
		£	£
3. Subscriptions and donations			
Subscriptions	20,422	24,061	
President's donation (W H Evans & E P Evans)	2,000	2,000	
Sponsorship and awards	964	5,161	
	<hr/> 23,386	<hr/> 31,222	
4. Income from charitable activities			
Registration fees	28,195	26,950	
Private Herd Books, Volumes etc.	5,077	5,347	
<i>The Journal</i> : Advertising	-	1,625	
Auction levies	1,891	4,256	
Auction commission	1,891	4,256	
Transfer fees	1,694	2,801	
Steer pedigree certificate	6,261	5,616	
Prefix fees	500	350	
	<hr/> 45,509	<hr/> 51,201	
5. Income from commercial operations			
Sale of straws	246	-	
Calendar sales	-	966	
Rental income	-	1,200	
Catering	-	14,200	
Website advertising	80	140	
Other income	183	146	
	<hr/> 509	<hr/> 16,652	
6. Investment income			
Income from National Savings Bank	141	252	
Bank interest	773	1,036	
	<hr/> 914	<hr/> 1,288	

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Notes to the financial statements for the year ended 31 December 2020 (Continued)

7. Total Resources expended

	Total 2020 £	Total 2019 £
Wages	19,596	19,098
ABRI Breed Plan	6,488	6,736
Printing of Herd Book	4,270	3,540
Publicity	1,706	2,783
Sundry printing	390	6,125
Expenditure at shows, auctions and events	10	4,593
Photographs and engraving	774	1,779
Travel costs	706	2,637
Semen purchase and collection	429	202
Depreciation	4,864	4,864
Governance costs	9,747	13,056
Support costs	26,447	35,280
	<hr/> £75,427	<hr/> £100,693

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 2020 £	Total 2019 £
Salaries	8,024	7,873	15,897	15,398
Rent, rates and lighting	5,201	-	5,201	7,338
Insurances	2,069	-	2,069	2,016
Meetings	-	104	104	182
Website	866	-	866	683
Stationery, postage and telephone	6,157	-	6,157	8,228
Software	1,550	-	1,550	1,306
Subscriptions	611	-	611	390
Independent examination	-	1,770	1,770	1,775
Professional fees	200	-	200	3,738
Repairs and renewals	149	-	149	629
Leasing	-	-	-	4,101
Bank charges	225	-	225	107
Bad debts	-	-	-	644
Depreciation	769	-	769	900
Other	626	-	626	901
	<hr/> 26,447	<hr/> 9,747	<hr/> 36,194	<hr/> 48,336

Welsh Black Cattle Society

Notes to the financial statements for the year ended 31 December 2020 (Continued)

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

	2020 £	2019 £
Wages and salaries	34,993	33,996
Pension costs	500	500
	<u>35,493</u>	<u>34,496</u>

The average number of full-time equivalent employees was 2 (2019 - 2). 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 (2019 – NIL)

The key management personnel of the charity are its trustees. No fees or salaries were paid to any trustees during the year (2019 – NIL). No repayments were made to any trustee for expenses incurred (2019 – NIL). No charity trustee received payment for professional or other services supplied to the charity (2019 – NIL).

9. Fixed assets

	<i>Land and Buildings</i> £	<i>Furniture and Equipment</i> £	<i>Total</i> £
Cost			
At 1 January 2020	163,376	49,675	213,051
At 31 December 2020	<u>163,376</u>	<u>49,675</u>	<u>213,051</u>
Depreciation			
At 1 January 2020	37,317	45,023	82,340
Charge for the year	3,268	2,364	5,632
At 31 December 2020	<u>40,585</u>	<u>47,387</u>	<u>87,972</u>
Net Book Value			
At 31 December 2020	<u>122,791</u>	<u>2,288</u>	<u>125,079</u>
At 31 December 2019	<u>126,059</u>	<u>4,652</u>	<u>130,711</u>

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Notes to the financial statements for the year ended 31 December 2020 (Continued)

10. Investments

	Opening balance £	Transferred £	Closing balance £
National Savings Bank Investment Account	22,968	250	23,218
National Savings Bank Income Bonds	6,000		6,000
Deposit Bond	100,000	(100,000)	-
	<hr/> 128,968	<hr/> (99,750)	<hr/> 29,218

All the investment assets are in the United Kingdom.

11. Debtors

	2020 £	2019 £
Trade Debtors	17,855	16,650
Other debtors	3,258	7,106
	<hr/> 21,113	<hr/> 23,756

12. Cash at Bank and in Hand

	2020 £	2019 £
General Account	5,428	7,267
Deposit Account	204,759	76,986
Breed Development Account	129	8,502
Cash in hand	50	50
	<hr/> 210,366	<hr/> 92,805

13. Creditors: amounts falling due within one year

	2020 £	2019 £
Taxation and social security	3,376	4,022
Accruals	11,942	19,053
	<hr/> £15,318	<hr/> £23,075

Welsh Black Cattle Society

Notes to the financial statements for the year ended 31 December 2020 (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 2019 £	Income £	Expenditure £	Balance 31 December 2020 £
General Fund	354,165	94,720	75,427	373,458

Unrestricted funds – previous year

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

16. Analysis of Fund Balances between Net Assets as at 31 December 2020

General Fund	Total 2020 £	Total 2019 £
Fixed assets	154,297	259,679
Cash at bank and in hand	210,366	92,805
Other net current assets	8,795	1,681
Total Net Assets	373,458	354,165

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