

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 2017

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S Bland (Chairman) J C Whitby (Finance Director) H Cox J Dickinson M Davis M Logan
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 2017

Fellow Members,

Yet again in the past 12 months the weather has been one of the challenges facing farming. We have gone from a dry spring, to a wet summer, to siberian blizzards in winter, this has given some extra challenges producing milk. It is amazing how our Jersey cow can adapt to various changes in climatic conditions.

We are still seeing a strong demand for surplus stock with new herds being set up and members using the Jersey cow to help them diversify their business, we wish them all well.

The board have been busy throughout the year and at Society level we have hosted the Jersey young members weekend, classification workshop, Judges conference and AGM, our thanks to those hosts.

The classification workshop led to a new classification document being produced to help breed development for the future. The issue of JX bulls has consumed a lot of time and now AI companies are presenting bulls to the society for approval before sale. This should make choosing bulls clearer to the membership and also gives clarity to the society for maintaining the purity of the herd book.

Our first National show for 10 years was held in October which was a great spectacle and advert for UK Jerseys, congratulations to everyone involved.

Rebecca Herd our field officer is continuing her efforts in catching up registrations.

Sincere thanks go to my fellow directors, Rebecca, Emma and her team for all their hard work and dedication. We must not forget our families who often have to step in while we are on Society business.

Mr S Bland
Chairman

Dated: 10 May 2018

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

FINANCE DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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

Activity

I must report your Society has made a loss of -£15,925 in this financial year. Whilst this is disappointing, the result is in line with the projections I have been working to as financial manager of the Society.

Balance Sheet

Against this background however, I am delighted to report that the balance sheet of your Society has improved by £28,591 thanks to the continuing remarkable performance of our investments. This means that our overall net assets remain over £1 million: standing at a healthy £1,057,055. This is the astonishing legacy of earlier generations of Jersey breeders who nurtured our funds and invested them wisely, both in property and in the hands of prudent fund managers.

Income and Expenditure

Your management team has, during the past twelve months, had to make difficult decisions concerning the routine administration and strategic development of the Society. Despite our best efforts to promote the value of pedigree registration membership services, income continues to fall: dropping by 5.48% and compounding on a 6.80% drop in 2016. Against this, more positively, subscription income has remained consistent. Furthermore, restructuring and consolidation by our affinity partners led to the cessation of our contract which saw income in this category fall by 84% year on year. Prudently your Board had foreseen this scenario and we had cut our cloth accordingly saving cost by dispensing with the services of a Chief Executive Officer for example. It is a testament to the dedication and commitment of the Board and our Secretariat Emma, Allison and her whole team at Jolly British that the Society has, despite this, managed to positively drive the Society forward. Other notable figures have seen savings made in advertising, accountancy and governance with extra resources directed to our Field Officer (see below).

These movements in funds have resulted in a smaller surplus of working capital this year. I am sure this variation mirrors the wide disparities seen in many of our own businesses with the erratic and unfathomable rise and fall of milk prices.

Strategy

The Board continues to look strategically and develop plans for the UK Jersey cow, the wonderful milk it produces and ways we can better serve its membership. To illustrate this this year, for example, modest resources have been allocated to the long overdue update and reform of the articles and memorandum of the Society. Moreover the Society, amongst a plethora of other activities, importantly continues to underwrite and encourage the activities of Jersey young members, has supported and endorsed the first National Jersey Show held for many years, maintains the services of our excellent Field Officer Rebecca Hurd, ensures the consistent performance of our battery of cattle judges by organising and validating a training day and has supported our representation at European and International level through the sterling efforts and energy of our President Lena Lewis at the European Jersey Forum (Norway).

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

FINANCE DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Pavilion

I am pleased to report that maintenance of the Pavilion continues to be cash neutral. The Pavilion is sublet, with full permission and endorsement from the managing agents of the Stoneleigh site, as a catering venue to Rugby farmers market. Indeed, this year a new catering company was confirmed with the landlords. The contract provided that a long overdue redecoration (both internal and external), maintenance program and spring clean was undertaken by the landlords at no cost to your Society. The Pavilion is once again, in my view, a venue that members of the Society can feel delivers a positive image of your Society. Importantly the national rail infrastructure project High Speed Two bisects the Stoneleigh site. Your Board are keeping a careful watching brief on the emerging plans and their impact on the future of the Pavilion.

Conclusion

The balance sheet of the Jersey Cattle Society of the UK has grown year on year. This improvement comes largely as the valuation of the Society's investments grow. Against this the Society made a deficit before revaluation for the year. Moving into 2018 the Board will continue to take steps to drive sustainability into the accounts with a focus on building new income streams by affinity agreements, empowering our Field Officer to maximise pedigree registrations and by working with partners to try to drive value into our unique product, Jersey milk; value that the Board expects will ultimately feed back to its members.

The Jersey Society of the UK champions the Jersey breed and its milk: fully vindicating its cherished charitable status.

We must redouble our efforts to bring all eligible Jersey cows under the pedigree banner, to reach out to Jersey breeders who are non-members or do not register them to try to bring them back into the fold and to work with partners to continue to promote our unique products Jersey cows and Jersey milk.

The Societies balance sheet remains very strong and the Society remains well placed financially. I look forward to explaining these results in more depth at the AGM in August and in the meantime remain open to, and value questions from, the membership.

.....
J C Whitby

Finance Director

Dated: 10 May 2018

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

The trustees present their report and accounts for the year ended 31 December 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 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)" (as amended for accounting periods commencing from 1 January 2016)

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 breed 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; the Judges Conference, Young Members weekend, National Calf Show, and attendance at Jersey cattle sales and major shows.

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 2017

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

	2017	2016
	£	£
Total funds	1,057,055	1,028,464
Less: Endowment funds	(83,174)	(70,972)
Less: Fixed assets only realisable on disposal	(73,269)	(76,814)
Free reserves	900,612	880,678

The trustees have 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 (as amended 9 September 2009), and registered as a charity on 8 November 1968.

The charity is constituted under a Memorandum of Association dated 10 July 1883 (as amended 9 September 2009) 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:

S Bland (Chairman)

J C Whitby (Finance Director)

A J Fleming

(Resigned 20 January 2017)

H Cox

J Dickinson

M Davis

M Logan

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.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2017

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, at least quarterly. Sub-committees meet on a more regular basis, to promote and communicate to the wider network of area clubs or like minded organisations.

Contractors:

The Society appointed a CEO (chief executive officer) on 28th January 2016 to provide executive management and help implement the strategic plan as set out by the Board of Directors and to provide the day to day management of the Society. His term of office ended in February 2017.

Field Service Officers - One part time Field Service Officer (FSO) left in January 2017. One FSO remaining.

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.

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 JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2017

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

S Bland (Chairman)

Dated: 10 May 2018

J C Whitby (Finance Director)

Dated:10 May 2018

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 accounts of the Jersey Cattle Society for the year ended 31 December 2017, which are set out on pages 9 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 accounts 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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the 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 accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Tim Lerwill, FCA
Old Mill Accountancy LLP

Bishopbrook House
Cathedral Avenue
WELLS
Somerset
BA5 1FD

Dated: 11 May 2018

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted funds £	Endowment funds £	Total 2017 £	Total 2016 £
Income from:					
Donations and legacies	3	1,390	-	1,390	660
Incoming resources from charitable activities	4	189,981	-	189,981	241,538
Fundraising income	5	17,062	-	17,062	11,673
Investments	6	17,623	-	17,623	18,673
Total income		226,056	-	226,056	272,544
Expenditure on:					
Raising funds	7	13,954	-	13,954	10,637
Charitable activities	8	228,027	-	228,027	282,893
Total resources expended		241,981	-	241,981	293,530
Net gains/(losses) on investments	12	32,314	12,202	44,516	86,581
Net movement in funds		16,389	12,202	28,591	65,595
Fund balances at 1 January 2017		957,492	70,972	1,028,464	962,869
Fund balances at 31 December 2017		973,881	83,174	1,057,055	1,028,464

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	All income funds	
	2017	2016
	£	£
Gross income	226,056	272,544
Gains on investments	32,314	82,129
	<hr/>	<hr/>
Total income in the reporting period	258,370	354,673
	<hr/>	<hr/>
Total expenditure from income funds	241,981	293,530
	<hr/>	<hr/>
Net income for the year	16,389	61,143
	<hr/> <hr/>	<hr/> <hr/>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	13		73,269		76,814
Investment properties	14		681,200		651,111
Investments	15		225,780		211,353
			<u>980,249</u>		<u>939,278</u>
Current assets					
Stocks	16	2,652		762	
Debtors	17	73,505		92,221	
Cash at bank and in hand		73,137		69,498	
			<u>149,294</u>	<u>162,481</u>	
Creditors: amounts falling due within one year	19	(72,488)		(73,295)	
Net current assets			<u>76,806</u>	<u>89,186</u>	
Total assets less current liabilities			<u>1,057,055</u>	<u>1,028,464</u>	
Capital funds					
Endowment funds - general	21		83,174		70,972
Income funds					
Unrestricted funds			973,881		957,492
			<u>1,057,055</u>	<u>1,028,464</u>	

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2017

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 2017. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts 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 accounts, so far as applicable to the company.

These accounts 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 10 May 2018

S Bland (Chairman)
Trustee

J C Whitby (Finance Director)
Trustee

Company Registration No. 00018573

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 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.

1.1 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)" (as amended for accounting periods commencing from 1 January 2016). The Jersey Cattle Society is a Public Benefit Entity as defined by FRS 102.

The accounts 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.

1.2 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.

1.3 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.

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

1.4 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.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

1.5 Resources expended

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.

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.

1.6 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.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.8 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.

1.9 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.

1.10 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.

1.11 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.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

1.12 Leases

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

2 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.

3 Donations and legacies

	2017	2016
	£	£
Donations and gifts	1,390	660
	<u> </u>	<u> </u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

4 Incoming resources from charitable activities

	2017	2016
	£	£
Semen sales and commission	4,609	27,593
Membership services	118,843	125,737
Show/WJCB (sponsorship) income	1,523	19,600
Youth income	2,937	2,913
Publication income	14,599	16,675
Subscriptions	42,688	45,964
Sundry income	4,782	3,056
	<u>189,981</u>	<u>241,538</u>

5 Fundraising income

	2017	2016
	£	£
Fundraising income	17,062	11,673
	<u>17,062</u>	<u>11,673</u>

6 Investments

	2017	2016
	£	£
Investment properties	10,990	11,382
Interest receivable	6,633	7,291
	<u>17,623</u>	<u>18,673</u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

7 Raising funds

	2017	2016
	£	£
<u>Costs of generating donations</u>		
Promotional costs	6,276	3,811
Jersey House pavilion costs	7,678	6,826
	<hr/>	<hr/>
Costs of generating donations	13,954	10,637
	<hr/>	<hr/>

8 Charitable activities

	2017	2016
	£	£
Membership services	44,665	48,042
Field officer	37,480	12,801
Field officer expenses	6,321	7,658
Youth costs	4,350	3,675
Publication	17,380	17,415
Promotional	-	3,675
Show costs	6,502	6,265
WJCB costs	4,143	22,911
Other costs	2,114	3,140
	<hr/>	<hr/>
	122,955	125,582
	<hr/>	<hr/>
Share of support costs (see note 9)	94,675	137,431
Share of governance costs (see note 9)	10,397	19,880
	<hr/>	<hr/>
	228,027	282,893
	<hr/>	<hr/>
Analysis by fund		
Unrestricted funds	228,027	
	<hr/>	
	228,027	
	<hr/>	
For the year ended 31 December 2016		
Unrestricted funds		282,893
		<hr/>
		282,893
		<hr/>
		<hr/>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9 Support costs	Support costs	Governance costs	2017	2016	Basis of allocation
	£	£	£	£	
Depreciation	3,546	-	3,546	3,603	
Advertising and promotional	1,248	-	1,248	6,600	
Rent	1,200	-	1,200	1,200	
Insurance	3,555	-	3,555	3,691	
Postage, stationery & IT	12,079	-	12,079	12,833	
Telephone & fax	1,667	-	1,667	1,460	
Accountancy	3,065	-	3,065	3,810	
Subcontractors (inc. CEO)	63,725	-	63,725	97,427	
Bank charges	1,154	-	1,154	1,225	
Other support costs	3,436	-	3,436	5,582	
Independent Examiner Fees	-	1,300	1,300	1,250	Governance
Legal & professional fees	-	2,125	2,125	6,502	Governance
Society meetings	-	4,236	4,236	10,071	Governance
Trustee expenses	-	2,736	2,736	2,057	Governance
	<u>94,675</u>	<u>10,397</u>	<u>105,072</u>	<u>157,311</u>	
Analysed between					
Charitable activities	<u>94,675</u>	<u>10,397</u>	<u>105,072</u>	<u>157,311</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 £3,065 (2016:£3,810).

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but they were reimbursed a total of £2,387 travelling expenses (2016:£10,208).

11 Employees

There were no employees during the year.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

12 Net gains/(losses) on investments

	Unrestricted funds	Endowment funds general	Total 2017	Total 2016
	£	£	£	£
Revaluation of investments	2,225	12,202	14,427	10,470
Revaluation of investment properties	30,089	-	30,089	76,111
	<u>32,314</u>	<u>12,202</u>	<u>44,516</u>	<u>86,581</u>
For the year ended 31 December 2016	<u>82,129</u>	<u>4,452</u>		<u>86,581</u>

13 Tangible fixed assets

	Short-term leasehold property	Office equipment	Total
	£	£	£
Cost			
At 1 January 2017	124,377	23,641	148,018
At 31 December 2017	<u>124,377</u>	<u>23,641</u>	<u>148,018</u>
Depreciation and impairment			
At 1 January 2017	70,595	609	71,204
Depreciation charged in the year	3,110	435	3,545
At 31 December 2017	<u>73,705</u>	<u>1,044</u>	<u>74,749</u>
Carrying amount			
At 31 December 2017	<u>50,672</u>	<u>22,597</u>	<u>73,269</u>
At 31 December 2016	<u>53,782</u>	<u>23,032</u>	<u>76,814</u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

14 Investment property

	2017
	£
Fair value	
At 1 January 2017	651,111
Net gains or losses through fair value adjustments	30,089
	<u> </u>
At 31 December 2017	<u>681,200</u>

Investment property comprises The Heathers, Old Farm Gardens and Fitzjohn Close. The fair value of the investment property has been arrived at on the basis of a desktop valuation carried out at on 31 March 2017 by Addington Fund Property Valuations.

15 Fixed asset investments

	Listed investments
	£
Cost or valuation	
At 31 December 2017	211,353
Valuation changes	14,427
	<u> </u>
At 31 December 2017	<u>225,780</u>
	<u> </u>
Carrying amount	
At 31 December 2017	<u>225,780</u>
	<u> </u>
At 31 December 2016	<u>211,353</u>
	<u> </u>

Investments individually representing more than 5% total:

	£
St James Corporate Bond Unit Trust	75,557
St James Far East Unit Trust	67,049
St James UK High Income Unit Trust	<u>83,174</u>
	<u>225,780</u>

16 Stocks

	2017	2016
	£	£
Finished goods and goods for resale	2,652	762
	<u> </u>	<u> </u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

17 Debtors		2017	2016
		£	£
Amounts falling due within one year:			
Trade debtors		65,302	75,347
Other debtors		4,826	13,542
Prepayments and accrued income		3,377	3,332
		<u>73,505</u>	<u>92,221</u>
		<u><u>73,505</u></u>	<u><u>92,221</u></u>
18 Financial instruments		2017	2016
		£	£
Carrying amount of financial assets			
Debt instruments measured at amortised cost		70,128	88,889
Equity instruments measured at cost less impairment		225,780	211,353
		<u>225,780</u>	<u>211,353</u>
		<u><u>225,780</u></u>	<u><u>211,353</u></u>
Carrying amount of financial liabilities			
Measured at amortised cost		21,805	21,480
		<u>21,805</u>	<u>21,480</u>
		<u><u>21,805</u></u>	<u><u>21,480</u></u>
19 Creditors: amounts falling due within one year		2017	2016
	Notes	£	£
Other taxation and social security		11,139	12,728
Deferred income	20	39,544	39,087
Trade creditors		6,530	8,784
Other creditors		4,160	707
Accruals and deferred income		11,115	11,989
		<u>72,488</u>	<u>73,295</u>
		<u><u>72,488</u></u>	<u><u>73,295</u></u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

20 Deferred income

	2017	2016
	£	£
Arising from subscription renewals	39,544	39,087
	<u> </u>	<u> </u>
Current liabilities	39,544	39,087
	<u> </u>	<u> </u>
	<u>39,544</u>	<u>39,087</u>
	<u> </u>	<u> </u>
Movement in the year	2017	2016
	£	£
At 1 January 2017	39,087	49,468
Amount released to income earned from charitable activities	(39,087)	(49,468)
Amount deferred in the year	39,544	39,087
	<u> </u>	<u> </u>
At 31 December 2017	<u>39,544</u>	<u>39,087</u>
	<u> </u>	<u> </u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017
	Balance at 1 January 2017	Incoming resources	Resources expended	Gains/(Losses)	
	£	£	£	£	£
Permanent endowments					
Avril Caddy	70,972	-	-	12,202	83,174
	<u>70,972</u>	<u>-</u>	<u>-</u>	<u>12,202</u>	<u>83,174</u>
	<u><u>70,972</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>12,202</u></u>	<u><u>83,174</u></u>

Prior Year	Movement in funds				Balance at 31 December 2016
	Balance at 1 January 2016	Incoming resources	Resources expended	Gains/(Losses)	
	£	£	£	£	£
Permanent endowments					
Avril Caddy	66,520	-	-	4,452	70,972
	<u>66,520</u>	<u>-</u>	<u>-</u>	<u>4,452</u>	<u>70,972</u>
	<u><u>66,520</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>4,452</u></u>	<u><u>70,972</u></u>

Avril Caddy - 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 2017

22 Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Total
	£	£	£
Fund balances at 31 December 2017 are represented by:			
Tangible assets	73,269	-	73,269
Investment properties	681,200	-	681,200
Investments	142,606	83,174	225,780
Current assets/(liabilities)	76,806	-	76,806
	<u>973,881</u>	<u>83,174</u>	<u>1,057,055</u>

Prior Year	Unrestricted funds	Endowment funds	Total
	£	£	£
Fund balances at 31 December 2016			
Tangible assets	76,814	-	76,814
Investment properties	651,111	-	651,111
Investments	140,381	70,972	211,353
Current assets/(liabilities)	89,186	-	89,186
	<u>957,492</u>	<u>70,972</u>	<u>1,028,464</u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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:

	2017	2016
	£	£
Within one year	5,637	5,637
Between two and five years	20,068	22,054
In over five years	47,489	51,142
	<u>73,194</u>	<u>78,833</u>
	<u><u>73,194</u></u>	<u><u>78,833</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 (2016:£6,154).

24 Related party transactions

All trustees are registered members of the Jersey Cattle Society Limited and as such pay a membership subscription. The subscription entitles them to membership services (such as purchase of semen and registering of pedigree cattle). All transactions were made on normal commercial terms.

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.