

**COMPANY REGISTRATION NUMBER: 00063906**

**CHARITY REGISTRATION NUMBER: 1000520**

**DEXTER CATTLE SOCIETY (THE)**  
**COMPANY LIMITED BY GUARANTEE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**David Allen**  
Chartered Accountants & Statutory Auditor  
Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

**DEXTER CATTLE SOCIETY (THE)**  
**COMPANY LIMITED BY GUARANTEE**  
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## **DEXTER CATTLE SOCIETY (THE)**

### **COMPANY LIMITED BY GUARANTEE**

#### **TRUSTEES' REPORT**

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The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2018.

The annual report serves the purposes of both a trustees' report and a directors' report under company law.

#### **OBJECTIVES AND ACTIVITIES**

##### ***Objects and aims***

The principal activities and objects of the Society are to advance the education of the public at large by registering, monitoring and exhibiting Dexter Cattle and investigating and encouraging efficient breeding of Dexter Cattle with a view to improving and increasing the numbers of the breed.

Attracting, supporting and retaining members to enable us to fulfil our objects, conserving the breed through maintaining a herd book and consistent application of support based on a basis of parent verification. Promoting and explaining our work to organisations, new breeders and the general public.

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

##### ***Public benefit***

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **Achievements and performance**

Council are working hard to turn the losses seen in recent years to a more positive financial position and will continue to do this in the future. The society made a loss of £21,009 in 2017 and £31,549 in 2018. The operations of the society have been reviewed and new trustees and secretary appointed. They hope to improve the operations of the society and it's performance going forward.

#### **FINANCIAL REVIEW**

There has been a net reduction of resources for the year of £31,549 which has been funded from reserves brought forward leaving unrestricted fund balances of £108,966 at the year end.

The Council consider this satisfactory under the circumstances.

The society aims to hold financial reserves that cover at least eighteen months of expenditure. At 31 December 2018 the society held free reseves amounting to £108,966 (2017 - £140,515).

## **DEXTER CATTLE SOCIETY (THE)**

### **COMPANY LIMITED BY GUARANTEE**

#### **TRUSTEES' REPORT (CONTINUED)**

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##### **PLANS FOR FUTURE PERIODS**

###### ***Aims and key objectives for future periods***

The plans for the society are to further genetic development, promotion and markets in the respect of the Dexter Cattle Herd Book, in order to benefit the charity's members and the general public.

##### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

###### ***Nature of governing document***

Dexter Cattle Society (The) is a charitable company limited by guarantee, incorporated on 20 October 1899 and registered as a charity in October 1990. The charitable company is governed under its Memorandum and Articles of Association dated 20 October 1899.

###### ***Recruitment and appointment of trustees***

Trustees are appointed by the members by election following nominations from the voting membership.

The charitable company is made up of elected members, together with staff appointed by the trustees at time of appointment. Trustees are normally appointed for a 3 year term on the basis of 3 trustees stepping down each year when their terms of office expire. Provision within the Articles allows for re-appointment of trustees.

###### ***Induction and training of trustees***

Trustees are inducted through a process of best practice. The trustees are nominated on a regional basis and selected by ordinary resolution at the AGM for the contribution, skills and expertise that they can bring to manage the organisation.

###### ***Organisational structure***

The board of trustees administers the charity and they meet at least 4 times during the year to discuss and formulate the charity's management policy. At the first trustees' meeting, following the AGM in October, the board of trustees appoints the company officers for the forthcoming year. A company secretary is engaged by the board of trustees to implement agreed management policy and to be responsible for the day to day management of the charity.

**DEXTER CATTLE SOCIETY (THE)**

**COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' REPORT (CONTINUED)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Trustees</b>	Mr R M Frazer Mr S Adcock Mr M R Bowles (resigned 11 April 2018) Mr S Flannery Mr A J Carrington (resigned 1 October 2018) Ms M L Kay Mrs C Neilson Mr B Stamp (appointed 13 October 2018)
<b>Company secretary</b>	Mr A Ryder
<b>Registered Office</b>	Holme House The Dale Ainstable Carlisle CA4 9RH  The charity is incorporated in England and Wales.
<b>Company Registration Number</b>	00063906
<b>Charity Registration Number</b>	1000520
<b>Bankers</b>	Natwest Bank plc 9 The Parade Minehead TA24 5ZD  Barclays Bank plc Kenilworth
<b>Auditor</b>	David Allen Chartered Accountants & Statutory Auditor Dalmar House Barras Lane Estate Dalston Carlisle CA5 7NY

## **DEXTER CATTLE SOCIETY (THE)**

### **COMPANY LIMITED BY GUARANTEE**

#### **TRUSTEES' REPORT (CONTINUED)**

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#### **FINANCIAL INSTRUMENTS**

##### ***Objectives and policies***

The charity's activities expose it to a number of financial risks including credit risk and cash flow risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

##### ***Cash flow risk***

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

##### ***Credit risk***

The charity's principal financial assets are bank balances and cash, trade and other receivables. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Dexter Cattle Society (The) for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Ireland (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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

**DEXTER CATTLE SOCIETY (THE)**

**COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' REPORT (CONTINUED)**

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**Statement of Trustees' Responsibilities (continued)**

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

there is no relevant audit information of which the charitable company's auditors are unaware; and

The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

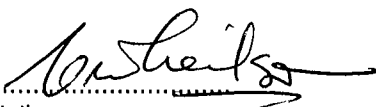
**DISCLOSURE OF INFORMATION TO AUDITOR**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

**REAPPOINTMENT OF AUDITOR**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of David Allen as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 10 September 2019 and signed on its behalf by:

  
.....  
Mrs C Neilson  
Trustee

## **DEXTER CATTLE SOCIETY (THE)**

### **COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEXTER CATTLE SOCIETY (THE)**

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### **OPINION**

We have audited the financial statements of Dexter Cattle Society (The) (the 'charity') for the year ended 31 December 2018, which comprise the Statement of financial activities, Balance sheet, and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **DEXTER CATTLE SOCIETY (THE)**

### **COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEXTER CATTLE SOCIETY (THE) (CONTINUED)**

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### **CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **OTHER INFORMATION**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

## **DEXTER CATTLE SOCIETY (THE)**

### **COMPANY LIMITED BY GUARANTEE**

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEXTER CATTLE SOCIETY (THE) (CONTINUED)**

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- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' responsibilities [set out on page 4], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

**DEXTER CATTLE SOCIETY (THE)**

**COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEXTER CATTLE SOCIETY (THE)  
(CONTINUED)**

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- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

.....  
ALISON WELTON (Senior Statutory Auditor)  
For and on behalf of  
David Allen  
Chartered Accountants & Statutory Auditor

Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

Date: 10 September 2019

**DEXTER CATTLE SOCIETY (THE)**

**COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

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	<b>Note</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2018 £</b>
<b>Income from:</b>				
Donations and legacies	3	9,329	-	9,329
Charitable activities	4	106,242	-	106,242
Investment income	5	<u>2,180</u>	<u>-</u>	<u>2,180</u>
Total income		<u>117,751</u>	<u>-</u>	<u>117,751</u>
<b>Expenditure on:</b>				
Charitable activities	6	<u>(149,300)</u>	<u>-</u>	<u>(149,300)</u>
Total expenditure		<u>(149,300)</u>	<u>-</u>	<u>(149,300)</u>
Net expenditure		<u>(31,549)</u>	<u>-</u>	<u>(31,549)</u>
Net movement in funds		(31,549)	-	(31,549)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>140,515</u>	<u>2,075</u>	<u>142,590</u>
Total funds carried forward	16	<u><u>108,966</u></u>	<u><u>2,075</u></u>	<u><u>111,041</u></u>

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**DEXTER CATTLE SOCIETY (THE)****COMPANY LIMITED BY GUARANTEE****STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018****(CONTINUED)****(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

	<b>Note</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2017 £</b>
<b>Income from:</b>				
Donations and legacies	3	9,259	-	9,259
Charitable activities	4	114,383	-	114,383
Investment income	5	<u>3,041</u>	<u>-</u>	<u>3,041</u>
Total income		<u>126,683</u>	<u>-</u>	<u>126,683</u>
<b>Expenditure on:</b>				
Charitable activities	6	<u>(147,692)</u>	<u>-</u>	<u>(147,692)</u>
Total expenditure		<u>(147,692)</u>	<u>-</u>	<u>(147,692)</u>
Net expenditure		<u>(21,009)</u>	<u>-</u>	<u>(21,009)</u>
Net movement in funds		(21,009)	-	(21,009)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>161,524</u>	<u>2,075</u>	<u>163,599</u>
Total funds carried forward	16	<u>140,515</u>	<u>2,075</u>	<u>142,590</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2017 is shown in note 16.

**DEXTER CATTLE SOCIETY (THE)**


**COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET AS AT 31 DECEMBER 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Current assets</b>			
Debtors	13	74,076	13,407
Cash at bank and in hand		<u>109,587</u>	<u>155,932</u>
		183,663	169,339
<b>Creditors: Amounts falling due within one year</b>	14	<u>(72,622)</u>	<u>(26,749)</u>
<b>Net assets</b>		<u>111,041</u>	<u>142,590</u>
<b>Funds of the charity:</b>			
<b>Restricted funds</b>		2,075	2,075
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>108,966</u>	<u>140,515</u>
<b>Total funds</b>	16	<u>111,041</u>	<u>142,590</u>

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

The financial statements on pages 10 to 26 were approved by the trustees, and authorised for issue on 10 September 2019 and signed on their behalf by:



.....  
Mrs C Neilson  
Trustee

Registration number: 00063906

## **DEXTER CATTLE SOCIETY (THE)**

### **COMPANY LIMITED BY GUARANTEE**

#### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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##### **1 CHARITY STATUS**

The Society is a charitable company limited by guarantee, incorporated on 20 October 1899 and registered as a charity in October 1990.

The company was established under a Memorandum of Association, which established the objects and power of the charitable company and is governed by its Articles of Association.

The address of its registered office is:

Holme House  
The Dale  
Ainstable  
Carlisle  
CA4 9RH

These financial statements were authorised for issue by the trustees on 10 September 2019.

##### **2 ACCOUNTING POLICIES**

###### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

###### **Statement of compliance**

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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

###### **Basis of preparation**

Dexter Cattle Society (The) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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

**DEXTER CATTLE SOCIETY (THE)**

**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)**

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**2 ACCOUNTING POLICIES (continued)**

**Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

**Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

***Donations and legacies***

Donations are recognised when there is evidence of entitlement to the gift, receipt is probable and it's amount can be measured reliably. Income from donations income received by way of subscriptions are included in the period to which they relate.

***Investment income***

Investment income is recognised when receivable.

***Charitable activities***

Income from charitable activities is derived from services provided to promote the breed.

***Other income***

Turnover is measured at the fair value of the consideration received or receivable and represents amounts received for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

**Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

**DEXTER CATTLE SOCIETY (THE)**

**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)**

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**2 ACCOUNTING POLICIES (continued)**

***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Tangible fixed assets**

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. All assets which are considered capital in nature are fixed assets regardless of cost.

**Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	20% straight line

**Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**DEXTER CATTLE SOCIETY (THE)**

**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)**

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**2 ACCOUNTING POLICIES (continued)**

**Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

**Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

**Pensions and other post retirement obligations**

The society operates a defined contribution scheme on behalf of its employees. Contributions payable are recognised in the statement of financial activities when due.

**DEXTER CATTLE SOCIETY (THE)**

**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)**

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**2 ACCOUNTING POLICIES (continued)**

**Financial instruments**

***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**DEXTER CATTLE SOCIETY (THE)**

**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)**

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**3 INCOME FROM DONATIONS AND LEGACIES**

	Unrestricted funds		
	General	Total 2018	Total 2017
	£	£	£
Donations and gifts	9,329	9,329	9,259
	<u>9,329</u>	<u>9,329</u>	<u>9,259</u>

**4 INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds		
	General	Total 2018	Total 2017
	£	£	£
Membership income	46,253	46,253	41,116
Herd book	1,129	1,129	1,403
AGM raffle and lunch	927	927	2,484
Registrations	38,175	38,175	44,950
DNA testing	6,478	6,478	7,685
Artificial insemination	1,356	1,356	1,261
Transfers	9,368	9,368	12,030
Advertisement	1,172	1,172	1,518
Dexter beef scheme	1,384	1,384	1,936
	<u>106,242</u>	<u>106,242</u>	<u>114,383</u>

**5 INVESTMENT INCOME**

	Unrestricted funds		
	General	Total 2018	Total 2017
	£	£	£
Deposit account interest	2,180	2,180	3,041

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)**

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**6 EXPENDITURE ON CHARITABLE ACTIVITIES**

		<b>Unrestricted funds</b>		
	<b>Note</b>	<b>General £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Breed promotion		2,758	2,758	9,751
Fundraising costs		-	-	1,136
Herd book costs		1,998	1,998	4,904
Bulletin costs		2,625	2,625	6,443
Artificial insemination		497	497	634
DNA/Chrondo		11,266	11,266	12,302
Linear assessment and inspection		1,500	1,500	1,886
Judges expenses and training		450	450	3,718
Groups		2,720	2,720	1,461
Allocated support costs	7	95,694	95,694	82,860
Governance costs	7	29,792	29,792	22,597
		<u>149,300</u>	<u>149,300</u>	<u>147,692</u>

£149,300 (2017 - £147,692) of the above expenditure was attributable to unrestricted funds and £Nil (2017 - £Nil) to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)**

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**7 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS**

**Support costs allocated to charitable activities**

	<b>Administration costs</b>	<b>Total 2018</b>	<b>Total 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	26,043	26,043	44,793
Depreciation	-	-	71
Office expenses	62,604	62,604	30,241
Travel and expenses	4,266	4,266	4,194
Bookkeeping	225	225	800
Bank charges	2,556	2,556	2,761
	<u>95,694</u>	<u>95,694</u>	<u>82,860</u>

**Governance costs**

	<b>Unrestricted funds</b>		
	<b>General</b>	<b>Total 2018</b>	<b>Total 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Audit fees			
Audit fees	2,850	2,850	3,000
Accountancy fees	1,518	1,518	1,811
Trustees remuneration and expenses	5,907	5,907	8,949
Legal and professional fees	14,002	14,002	2,226
Presidential expenses	280	280	1,207
AGM expenses	673	673	5,404
Bad debts written off	4,562	4,562	-
	<u>29,792</u>	<u>29,792</u>	<u>22,597</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)**

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**8 NET INCOMING/OUTGOING RESOURCES**

Net outgoing resources for the year include:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Operating leases	10,115	10,115
Depreciation of fixed assets	-	71
	<u>          </u>	<u>          </u>

**9 TRUSTEES REMUNERATION AND EXPENSES**

During the year the charity made the following transactions with trustees:

£5,907 (2017: £8,949) of expenses were reimbursed to seven trustees (2017: twelve trustees) during the year.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

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(CONTINUED)**

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**10 STAFF COSTS**

The aggregate payroll costs were as follows:

	<b>2018 £</b>	<b>2017 £</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	24,341	43,710
Social security costs	887	763
Pension costs	217	320
	<u>25,445</u>	<u>44,793</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	<b>2018 No</b>	<b>2017 No</b>
Administrative staff	<u>1</u>	<u>2</u>

During the year, the charity made redundancy and/or termination payments which totalled £4,410 (2017 - £Nil).

Contributions to the employee pension schemes for the year totalled £217 (2017 - £320).

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £Nil (2017 - £34,139).

**11 AUDITORS' REMUNERATION**

	<b>2018 £</b>	<b>2017 £</b>
Audit of the financial statements	<u>2,850</u>	<u>3,000</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u>1,518</u>	<u>1,811</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)**

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**12 TAXATION**

The charity is a registered charity and is therefore exempt from taxation.

**13 DEBTORS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	50,503	441
Prepayments	19,537	11,799
VAT recoverable	4,036	1,167
	<u>74,076</u>	<u>13,407</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)**

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**14 CREDITORS: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	10,602	4,492
Other taxation and social security	-	667
Other creditors	1,008	792
Accruals	<u>61,012</u>	<u>20,798</u>
	<u><u>72,622</u></u>	<u><u>26,749</u></u>

**15 PENSION AND OTHER SCHEMES**

**Defined contribution pension scheme**

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £217 (2017 - £320).

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
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**16 FUNDS**

	<b>Balance at 1 January 2018 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Balance at 31 December 2018 £</b>
<b>Unrestricted funds</b>				
General funds	140,515	117,751	(149,300)	108,966
<b>Restricted funds</b>				
Genetics research project	1,594	-	-	1,594
Childrens projects	481	-	-	481
<b>Total restricted funds</b>	<u>2,075</u>	<u>-</u>	<u>-</u>	<u>2,075</u>
<b>Total funds</b>	<u>142,590</u>	<u>117,751</u>	<u>(149,300)</u>	<u>111,041</u>
	<b>Balance at 1 January 2017 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Balance at 31 December 2017 £</b>
<b>Unrestricted funds</b>				
General funds	161,524	126,683	(147,692)	140,515
<b>Restricted funds</b>				
Genetics research project	1,594	-	-	1,594
Childrens projects	481	-	-	481
<b>Total restricted funds</b>	<u>2,075</u>	<u>-</u>	<u>-</u>	<u>2,075</u>
<b>Total funds</b>	<u>163,599</u>	<u>126,683</u>	<u>(147,692)</u>	<u>142,590</u>

The specific purposes for which the funds are to be applied are as follows:

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

**DEXTER CATTLE SOCIETY (THE)**

**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)**

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**17 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>General £</b>	<b>£</b>	<b>£</b>
Current assets	181,588	2,075	183,663
Current liabilities	<u>(72,622)</u>	<u>-</u>	<u>(72,622)</u>
Total net assets	<u>108,966</u>	<u>2,075</u>	<u>111,041</u>

**18 ANALYSIS OF NET FUNDS**

	<b>At 1 January 2018 £</b>	<b>Cash flow £</b>	<b>At 31 December 2018 £</b>
Cash at bank and in hand	155,932	(46,345)	109,587
	<u>155,932</u>	<u>(46,345)</u>	<u>109,587</u>