

**REGISTERED NUMBER: 9597 (England and Wales)**



**SHORTHORN SOCIETY OF THE UNITED KINGDOM  
OF GREAT BRITAIN AND IRELAND**

**(Company limited by guarantee and not having a share capital)**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2010**

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**Dafferns LLP**

**Chartered Accountants & Business Advisers**

**SHORTHORN SOCIETY OF THE UNITED KINGDOM  
OF GREAT BRITAIN AND IRELAND  
(REGISTERED NUMBER: 9597)**

**REPORT OF THE DIRECTORS AND TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors and trustees present their report and financial statements for the year ended 31 December 2010

**Reference and administration information**

Charity name	Shorthorn Society of the United Kingdom of Great Britain and Ireland
Charity registration number	213216
Company registration number	9597
Registered office and Operational address	4th Street National Agricultural Centre Stoneleigh Park Kenilworth Warwickshire CV8 2LG

**Directors / Trustees**

D G Baynes  
D H Craig  
E G Crank  
Mrs E A E Davies  
S G Deane  
J R Fisher  
J C Hayward  
C A Horrell  
G James  
G A Madeley  
N Madeley  
A A Mescal  
G W Pattinson  
J P L Playfair-Hannay  
W H Rawlins  
J E Robinson  
S Royle  
J Teasdale  
A H J Whittle  
J P Wyatt  
Mrs W A Young

**President**

G A Madeley

**Company Secretary**

F R Milnes

**SHORTHORN SOCIETY OF THE UNITED KINGDOM  
OF GREAT BRITAIN AND IRELAND  
(REGISTERED NUMBER: 9597)**

**REPORT OF THE DIRECTORS AND TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**Independent examiner**

Dafferns LLP, Chartered Accountants, One Eastwood, Harry Weston Road, Binley Business Park, Coventry, CV3 2UB

**Bankers**

HSBC Bank plc, Coventry

**Structure Governance and Management**

**Governing document**

The Society is a charitable company limited by guarantee and does not have a share capital. The Society was incorporated on 15 June 1875 and registered as a charity on 8 January 1963.

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

**Recruitment and appointment of the Council**

The directors of the company are also charity trustees for the purpose of charity law and under the company's Articles are known as members of the Council.

Each year some council members retire by rotation and are eligible for re-election. They are elected by a ballot of those members entitled to vote.

**Trustee induction and training**

New Trustees are briefed by the President on their obligations as Council members and the future plans and objectives of the Society. Minutes of previous meetings are also available for new Council Members upon request.

**Risk review**

The trustees have conducted a review of the major risks to which the charity is exposed and have established systems to mitigate these risks.

Every effort is made to ensure that all risks are kept to a minimum. The Council consider that insurance cover and reserves are adequate to ensure the continued operation of the Society in the event of the occurrence of any unexpected incident.

**Activities and charitable objects**

The principal activity and charitable objects of the Society are to encourage, promote and improve the breeding of Shorthorn cattle in the United Kingdom of Great Britain and Ireland, or elsewhere, and to compile and maintain a Herd Book of recognised and pure bred Shorthorn cattle.

**SHORTHORN SOCIETY OF THE UNITED KINGDOM  
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**REPORT OF THE DIRECTORS AND TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**Achievements and performance**

The results for the period and financial position of the Company are as shown in the annexed statements

Registrations have remained fairly constant in spite of an ever decreasing number of milk producers in the UK. This reflects the growing popularity of an economic alternative dairy cow to the predominant Holstein breed. The fertility, mobility and longevity of the Dairy Shorthorn are traits very much in demand in the modern dairy cow.

During 2010 the Shorthorn Society, in conjunction with the Beef Shorthorn Cattle Society, hosted the World Shorthorn Conference which attracted over 100 delegates from 10 different countries. This was a very successful event taking place over 16 days which included 14 farm visits, a 2 day conference at Stratford upon Avon and receptions at The Scottish Parliament and St James's Palace hosted by our Patron Her Royal Highness The Princess Royal. The costs of this event were met by sponsorship from various organisations which resulted in a small operating surplus for this event which was retained by the Society within the general fund.

The Society has a presence at some of the major Agricultural Shows and events throughout the year. This is an opportunity to educate the public on the native breeds of cattle which are suitable for milk production in the UK.

The Society is very keen to encourage and educate young members in the art of good cattle husbandry. The Society participates in the National All Breeds Calf Show when young members are encouraged to prepare and show their own calves and classes are held for showmanship as well as for the conformation of the calf. We regularly have over twenty young Shorthorn members entering these classes. The Society also sponsored one young member to take part in a youth exchange programme with the Australian Society. Mr R Kite spent 5 weeks last year in Australia staying on farms and helping prepare and show cattle at shows in Australia.

Sales of Dairy Shorthorn cattle have been very buoyant and many members have found a ready demand for their surplus cattle for sale off the farm.

**Public benefit**

The trustees consider they have complied with their duty to have due regard to the guidance on public benefit, as published by the Charity Commission, in exercising their powers and duties.

**Financial review**

The net incoming resources for the year amounted to £14,262, and when added to the unrealised gain on investment assets of £15,536 leave an amount of £29,798 which has been added to the reserves brought forward leaving fund balances of £269,556 at the year end. The trustees consider the results to be satisfactory.

**SHORTHORN SOCIETY OF THE UNITED KINGDOM  
OF GREAT BRITAIN AND IRELAND  
(REGISTERED NUMBER: 9597)**

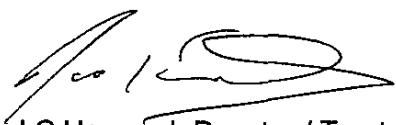
**REPORT OF THE DIRECTORS AND TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**Reserves policy**

The Society aims to hold financial reserves that cover one year's outgoing resources. At 31 December 2010 the Society held free reserves amounting to £269,556.

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities, (SORP 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities

Approved by the Trustees on 3 March 2011, and signed on its behalf by

A handwritten signature in black ink, appearing to read 'J C Hayward', is written over a horizontal line.

J C Hayward, Director / Trustee

**INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF  
SHORTHORN SOCIETY OF THE UNITED KINGDOM  
OF GREAT BRITAIN AND IRELAND  
(REGISTERED NUMBER: 9597)**

I report on the accounts of the Society for the year ended 31 December 2010 which are set out on pages 6 to 13

**Respective responsibilities of trustees and examiner**

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is required.

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

- examine the accounts under section 43 of the 1993 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 43(7)(b) of the 1993 Act), and
- to state whether particular matters have come to my attention

**Basis of the independent examiner's report**

My examination was carried out in accordance with 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 statements below.

**Independent examiner's statement**

In the course of my examination, no matter has come to my attention

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements
  - to keep accounting records in accordance with Sections 386 and 387 of the Companies Act 2006, and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 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

- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



Richard Miller BA ACA  
For and on behalf of Dafferns LLP  
Chartered Accountants,  
One Eastwood  
Harry Weston Road  
Binley Business Park,  
Coventry, CV3 2UB

10 May 2011

**SHORTHORN SOCIETY OF THE UNITED KINGDOM  
OF GREAT BRITAIN AND IRELAND  
(REGISTERED NUMBER: 9597)**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2010**

<b>INCOMING RESOURCES</b>	<b>Unrestricted funds</b>	
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Voluntary income</b>		
Members subscriptions	16,603	17,817
Gift aid	1,501	1,606
Gift aid donation from subsidiary	11,806	9,879
Donations	115	80
<b>Activities to generate funds</b>		
Shorthorn journal	-	4,510
Merchandise	626	570
Fees – cattle sales	1,165	994
World shorthorn conference - surplus	1,765	-
Sundry income	597	1,675
Management fees	24,269	22,070
Interest receivable	501	1,064
Investment income	5,893	5,877
<b>Charitable activities</b>		
Herd book entry fees	46,105	44,120
Other fees	(568)	(611)
Coates herd book	300	87
<b>Total incoming resources</b>	<b><u>110,678</u></b>	<b><u>109,738</u></b>

**SHORTHORN SOCIETY OF THE UNITED KINGDOM  
OF GREAT BRITAIN AND IRELAND  
(REGISTERED NUMBER: 9597)**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2010**

<b>RESOURCES EXPENDED</b>	<b>Unrestricted funds</b>	
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Costs of generating funds</b>		
Shorthorn journal	-	11,109
Royal show	-	3,065
Dairy farming event	1,376	1,043
Other shows	6,758	3,012
Merchandise	568	570
Publicity	3,874	4,493
Subscriptions	567	518
Provision for slow moving stock of books	-	1,237
<b>Charitable activities</b>		
Coates herd book	1,088	-
<b>Support costs</b>		
Salaries and national insurance	50,013	54,445
Rent and rates	3,304	3,115
Light and heat	2,352	2,325
Insurance	1,636	1,675
Telephone and postage	2,680	3,699
Printing and stationery	(771)	(788)
Staff travelling and entertaining	9,929	10,718
Repairs and maintenance	4,610	3,072
Bank charges	728	690
Sundry expenses	814	1,178
Lease of equipment	1,215	1,915
Depreciation	3,202	3,316
<b>Governance costs</b>		
Independent examination	1,520	1,300
Council travel and expenses	938	823
Legal and professional fees	15	15
<b>Total resources expended</b>	<b><u>96,416</u></b>	<b><u>112,545</u></b>

**SHORTHORN SOCIETY OF THE UNITED KINGDOM  
OF GREAT BRITAIN AND IRELAND  
(REGISTERED NUMBER: 9597)**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	Unrestricted funds 2010 £	2009 £
Incoming resources	1	110,678	109,738
Resources expended		<u>96,416</u>	<u>112,545</u>
Net incoming / (outgoing) resources – net income	2	14,262	(2,807)
Gains on investment assets			
Unrealised		<u>15,536</u>	<u>17,588</u>
Net movement in funds		29,798	14,781
Fund balances at 1 January 2010		<u>239,758</u>	<u>224,977</u>
Fund balances at 31 December 2010		<u>269,556</u>	<u>239,758</u>

The notes on pages 10 to 13 form an integral part of these financial statements

**SHORTHORN SOCIETY OF THE UNITED KINGDOM  
OF GREAT BRITAIN AND IRELAND  
(REGISTERED NUMBER: 9597)**

**BALANCE SHEET AS AT 31 DECEMBER 2010**

	Note	2010	2009
		£	£
<b>Fixed assets</b>			
Intangible assets	4	5	5
Tangible assets	5	20,640	23,842
Investments	6	<u>125,729</u>	<u>108,295</u>
		146,374	132,142
<b>Current assets</b>			
Stock	7	882	835
Debtors	8	46,791	43,008
Charities deposit		85,526	101,849
Bank balances and cash		<u>4,355</u>	<u>2,287</u>
		137,554	147,979
<b>Current liabilities</b>			
Creditors - amounts falling due within one year	9	<u>14,372</u>	<u>40,363</u>
<b>Net current assets</b>		<u>123,182</u>	<u>107,616</u>
<b>Net assets</b>		<u>269,556</u>	<u>239,758</u>
Financed by			
<b>Reserves</b>			
Unrestricted funds	10	<u>269,556</u>	<u>239,758</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2010

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2010 in accordance with Section 476 of the Companies Act 2006

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company

These financial statements have been prepared in accordance the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Council on 3 March 2011, and signed on its behalf by

  
J C Hayward, Director / Trustee

The notes on pages 10 to 13 form an integral part of these financial statements

**SHORTHORN SOCIETY OF THE UNITED KINGDOM  
OF GREAT BRITAIN AND IRELAND  
(REGISTERED NUMBER: 9597)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**1. Accounting policies**

**Basis of accounting**

These financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

**Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

**Resources expended**

Expenditure is accounted for on an accruals basis

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its expected useful life

Leasehold buildings	2 5% straight line
Equipment	10% - 20% straight line

**Investments**

Investments are stated in the balance sheet at mid-market value in accordance with SORP. Movements in market value are shown in the statement of financial activities

**Operating leases**

Costs in respect of operating leases are charged in arriving at the operating surplus on a straight line basis over the lease term

**Stock**

Stocks have been physically ascertained and valued by officers of the Society at the lower of cost and net realisable value

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the receipt. Exchange differences are taken into account in arriving at the operating result

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. All the Society's funds are unrestricted

**Consolidation**

The company and its subsidiary comprise a small group. The company has therefore taken advantage of the exemption provided by section 402 of the Companies Act 2006 not to prepare group accounts

**SHORTHORN SOCIETY OF THE UNITED KINGDOM  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**2. Net income**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Net income is stated after charging		
Depreciation of tangible fixed assets	3,202	3,316
Operating lease costs	3,954	4,417
Trustees remuneration and other benefits	-	-
Reporting accountants fees	<u>1,520</u>	<u>1,300</u>

**3. Staff numbers and costs**

The average number of persons employed by the Society during the year was

Administration	<u>5</u>	<u>5</u>
Staff costs were		
Salaries	45,089	50,123
Social security costs	<u>4,924</u>	<u>4,322</u>
	<u>50,013</u>	<u>54,445</u>

No employee received emoluments of more than £60,000

**4. Intangible fixed assets**

Copyright at cost – Coates' Herd Book	<u>5</u>	<u>5</u>
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**5. Tangible fixed assets**

	<b>Short Leasehold Buildings £</b>	<b>Equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2010 and at 31 December 2010	<u>70,623</u>	<u>16,512</u>	<u>87,135</u>
<b>Depreciation</b>			
At 1 January 2010	50,183	13,110	63,293
Charge for the year	<u>2,044</u>	<u>1,158</u>	<u>3,202</u>
At 31 December 2010	<u>52,227</u>	<u>14,268</u>	<u>66,495</u>
<b>Net book value</b>			
At 31 December 2010	<u>18,396</u>	<u>2,244</u>	<u>20,640</u>
At 31 December 2009	<u>20,440</u>	<u>3,402</u>	<u>23,842</u>

**SHORTHORN SOCIETY OF THE UNITED KINGDOM  
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(REGISTERED NUMBER: 9597)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**6. Investments**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Listed investments held 1 January 2010	107,295	89,707
Purchases at cost	1,898	-
Unrealised gains on revaluation to market value	<u>15,536</u>	<u>17,588</u>
Listed investments held 31 December 2010	124,729	107,295
Shares in group company	<u>1,000</u>	<u>1,000</u>
	<u>125,729</u>	<u>108,295</u>

<b>Listed investments</b>	<b>Cost</b>	<b>Valuation</b>
As at 31 December 2010	<u>£91,003</u>	<u>£124,729</u>
As at 31 December 2009	<u>£89,105</u>	<u>£107,295</u>

**7. Stocks**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Goods for resale	<u>882</u>	<u>835</u>

**8. Debtors**

Trade debtors	30,635	27,516
Amount owed by group company	13,966	12,090
Prepayments	<u>2,190</u>	<u>3,402</u>
	<u>46,791</u>	<u>43,008</u>

**9. Creditors: amounts falling due within one year**

Trade creditors	2,466	13,105
Deferred income	1,428	15,980
Taxation and social security	3,760	3,598
Value added tax	5,271	5,595
Accruals	<u>1,447</u>	<u>2,085</u>
	<u>14,372</u>	<u>40,363</u>

**10. Unrestricted funds – accumulated fund**

Balance at 1 January 2010	239,758	224,977
Incoming resources	108,913	109,738
Resources expended	(94,651)	(112,545)
Investments gains	<u>15,536</u>	<u>17,588</u>
Balance at 31 December 2010	<u>269,556</u>	<u>239,758</u>

**SHORTHORN SOCIETY OF THE UNITED KINGDOM  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**11. Operating lease commitments**

The Society has the following leasing obligations in the next twelve months

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Land and buildings</b>		
Expiring		
Over five years	<u>2,787</u>	<u>2,739</u>
<b>Equipment</b>		
Expiring		
In one year	-	300
Between one and five years	<u>715</u>	<u>715</u>

**12. Contingent liabilities**

The company has agreed to repay a donation of £3,347 in the event of the South East Breeders Association being reformed

**13. Transactions with trustees**

There have been no material transactions with trustees and no expenses have been paid.

**14. Related party transactions**

There were no material related party transactions during the year

**15. Related company and consolidation**

The Society owns 100% of the issued share capital of Red Cattle Genetics (Stoneleigh) Limited (incorporated in the United Kingdom) which sells Shorthorn semen. Its trading results for the year, as extracted from the unaudited accounts are as follows:

Turnover	59,710	61,598
Cost of sales	<u>25,706</u>	<u>24,227</u>
Gross profit	34,004	37,371
Administrative expenses	<u>22,265</u>	<u>27,525</u>
	11,739	9,846
Interest receivable	<u>67</u>	<u>33</u>
	11,806	9,879
Gift aid donation	<u>11,806</u>	<u>9,879</u>
Retained income	-	-
Reserves 1 January 2010	<u>9,294</u>	<u>9,294</u>
Reserves 31 December 2010	<u>9,294</u>	<u>9,294</u>