



REGISTRARS COPY

REGISTERED NUMBER: 00009597

A M E N D E D

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

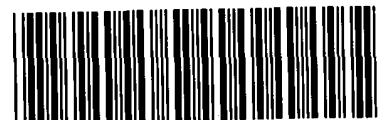
FOR THE YEAR ENDED

31 DECEMBER 2016

A M E N D E D

Dafferns LLP
Chartered Accountants & Business Advisers

THURSDAY



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**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND
(REGISTERED NUMBER: 00009597)**

**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors and trustees present their report and financial statements for the year ended 31 December 2016. The trustees and directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

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 Stoneleigh Park Kenilworth Warwickshire CV8 2LG |

Directors / Trustees

| | |
|------------------|-------------------|
| D G Baynes | resigned 5.9.16 |
| G Bell | |
| I R G Collins | |
| D H Craig | |
| E G Crank | |
| Mrs E A E Davies | |
| M J Dobson | resigned 5.9.16 |
| J R Fisher | |
| J C Hayward | deceased 31.12.16 |
| C A Horrell | resigned 7.4.17 |
| G James | |
| A J Lawson | |
| G A Madeley | appointed 18.6.16 |
| N Madeley | |
| W H Rawlins | |
| G L Riby | resigned 7.4.17 |
| J E Robinson | |
| S Royle | |
| Mrs S H M Slade | |
| J Teasdale | |
| S V B Thomas | |
| A H J Whittle | |
| J P Wyatt | |
| Mrs W A Young | |

President

J E Robinson

Company Secretary

| | |
|--------------|--|
| F R Milnes | resigned 18.7.16 |
| Mrs C L Fyfe | appointed 18.7.16 and resigned 15.3.17 |
| J E Robinson | appointed 15.3.17 |

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND
(REGISTERED NUMBER: 00009597)**

**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016**

Independent examiner

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

Bankers

HSBC Bank plc. Coventry

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.

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.

Achievements and performance

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

There has been a small decrease in the number of registrations during the year. The current state of the dairy industry and the numbers of dairy farmers leaving the industry makes it more difficult for breed societies to maintain the number of pedigree registrations, however there has been a steady increase in memberships which in turn will hopefully bring new registrations. The expenses have increased from the previous year due to the retirement of the Secretary and a period of time when cross over training took place with his replacement. There was also a change in one of the registration clerks which also necessitated a period of training. Other administration costs have been increased slightly with the purchase of required IT equipment to maintain service levels. However, there has been a slight increase in the value of the investments funds this year.

The Society also maintained a significant presence at the major agricultural shows providing a valuable opportunity to promote the breed to interested farmers and offer support to existing members. Whilst there has been a small but welcome increase in the price paid for milk the need to produce milk as efficiently as possible and the increasing interest in free range milk provides Dairy Shorthorn breeders with a real marketing opportunity for the future.

The Society continues to be actively involved in youth development, supporting the next generations of dairy farmers by holding successful calf shows and young handler's competitions. We continue to provide optimism and encouragement in their development within the dairy farming industry. We continue to communicate through social media and attract lots of young breeders who are also helping to promote the breed and distribute the qualities and opportunities of the breed and society.

The financial position of the Society remains healthy and the investments are returning a satisfactory income.

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND
(REGISTERED NUMBER: 00009597)**

**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016**

Financial review

The net expenditure for the year amounted to £7,991. This amount has been deducted from reserves brought forward leaving fund balances of £321,522 at the end of the year. The trustees consider the results to be satisfactory.

Reserves policy

The Society aims to hold financial reserves that cover up to one year's outgoing resources. At 31 December 2016 the Society held free reserves amounting to £321,522.

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.

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND
(REGISTERED NUMBER: 00009597)**

**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees on 28 April 2017, and signed on its behalf by:

E G Crank, Director / Trustee

A handwritten signature in black ink, appearing to read 'E G Crank', written in a cursive style.

**INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF
SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND
(REGISTERED NUMBER: 00009597)**

I report on the accounts of the Society for the year ended 31 December 2016 which are set out on pages 6 to 14.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors 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 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 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of the 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 statements below.

Independent examiner's statement

In connection with 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 section 386 of the Companies Act 2006; and
 - 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
- 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 MA (Oxon) FCA
For and on behalf of Dafferns LLP
Chartered Accountants,
One Eastwood
Harry Weston Road
Binley Business Park,
Coventry, CV3 2UB.



11 May 2017

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND
(REGISTERED NUMBER: 00009597)**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2016**

| INCOME FROM: | Unrestricted funds | |
|--|---------------------------|-----------------------|
| | 2016 | 2015 |
| | £ | £ |
| Donations and legacies | | |
| Donations | 176 | 26 |
| Gift aid | 1,446 | 1,490 |
| Charitable activities | | |
| Members subscriptions | 15,045 | 14,871 |
| Herd book entry fees | 37,541 | 40,332 |
| Other fees | 86 | 484 |
| Coates' herd book | 89 | 114 |
| Shorthorn journal | 5,300 | 5,920 |
| Merchandise | 357 | 716 |
| Fees – cattle sales | 1,074 | 471 |
| Sundry income | 2,739 | 220 |
| Management fees | 45,855 | 44,543 |
| Investment income | | |
| Interest on deposits | 137 | 90 |
| Dividend income | 9,049 | 8,966 |
| Gift aid donation from trading subsidiary | 5,867 | 16,552 |
| Total income | <u>124,761</u> | <u>134,795</u> |

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND
(REGISTERED NUMBER: 00009597)**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2016**

| RESOURCES EXPENDED | Unrestricted funds | |
|--------------------------------------|---------------------------|-----------------------|
| | 2016 | 2015 |
| | £ | £ |
| Charitable activities | | |
| Shorthorn journal | 12,127 | 13,680 |
| Shows and events | 7,213 | 8,913 |
| Shorthorn world conference | 1,833 | - |
| Merchandise | 319 | 624 |
| Publicity | 5,777 | 5,388 |
| Subscriptions | 258 | 243 |
| Coates herd book | 410 | 398 |
| Youth development | - | 175 |
| Support costs (not allocated) | | |
| Salaries and national insurance | 75,987 | 65,498 |
| Rent and rates | 3,442 | 3,434 |
| Light and heat | 1,708 | 1,940 |
| Insurance | 2,043 | 1,993 |
| Telephone and postage | 5,170 | 3,935 |
| Printing and stationery | (1,742) | (1,469) |
| Archive material | - | 38 |
| Staff travelling and entertaining | 8,787 | 9,741 |
| Repairs and maintenance | 7,744 | 5,091 |
| Bank charges | 586 | 653 |
| Sundry expenses | 4,873 | 1,414 |
| Lease of equipment | 716 | 716 |
| Council travel and expenses | 1,258 | 970 |
| Independent examination | 1,700 | 1,650 |
| Legal and professional fees | 296 | 441 |
| Depreciation | 3,408 | 2,956 |
| Loss on sale of fixed assets | 300 | - |
| Total expenditure | <u>144,213</u> | <u>128,422</u> |

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND
(REGISTERED NUMBER: 00009597)**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2016**

| | Note | Unrestricted funds 2016 £ | 2015 £ |
|-----------------------------------|------|---------------------------------|----------------|
| Income | | 124,761 | 134,795 |
| Expenditure | | <u>144,213</u> | <u>128,422</u> |
| | | (19,452) | 6,373 |
| Net gains on investments | | <u>11,461</u> | <u>2,744</u> |
| Net income / movement in funds | | (7,991) | 9,117 |
| Fund balances at 1 January 2016 | | <u>329,513</u> | <u>320,396</u> |
| Fund balances at 31 December 2016 | | <u>321,522</u> | <u>329,513</u> |

The notes on pages 10 to 14 form an integral part of these financial statements

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND
(REGISTERED NUMBER: 00009597)**

BALANCE SHEET AS AT 31 DECEMBER 2016

| | Note | 2016 | 2015 |
|---|------|----------------|----------------|
| | | £ | £ |
| Fixed assets | | | |
| Intangible assets | 7 | 5 | 5 |
| Tangible assets | 8 | 9,665 | 8,956 |
| Investments | 9 | <u>204,812</u> | <u>242,300</u> |
| | | 214,482 | 251,261 |
| Current assets | | | |
| Stock | 10 | 976 | 835 |
| Debtors | 11 | 76,393 | 78,727 |
| Charities deposit | | 45,998 | 11,573 |
| Bank balances and cash | | <u>8,989</u> | <u>13,354</u> |
| | | 132,356 | 104,489 |
| Current liabilities | | | |
| Creditors - amounts falling due within one year | 12 | <u>25,316</u> | <u>26,237</u> |
| Net current assets | | <u>107,040</u> | <u>78,252</u> |
| Net assets | | <u>321,522</u> | <u>329,513</u> |
| Financed by: | | | |
| Reserves | | | |
| Unrestricted funds | 13 | <u>321,522</u> | <u>329,513</u> |

The charitable company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31st December 2016.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors and trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of the accounts.

These financial statements have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS 102 SORP.

The financial statements were approved by the Council on 28 April 2017 and were signed on its behalf by:

E G Crank, Director / Trustee



The notes on pages 10 to 14 form an integral part of these financial statements.

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND
(REGISTERED NUMBER: 00009597)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. General information and basis of preparation

The Shorthorn Society of the United Kingdom of Great Britain and Ireland is a private company, limited by guarantee, registered in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities 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 Herdbook of recognised and purebred Shorthorn cattle.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16th July 2014 (as updated through Update Bulletin 1 published on 2nd February 2016), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006, and UK Generally Accepted Practice as it applies from 1st January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling (£) which is the functional currency of the charity and rounded to the nearest pound.

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

2. Accounting policies

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds can only be used in accordance with the restriction imposed upon them.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND
(REGISTERED NUMBER: 00009597)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Intangible fixed assets

The intangible fixed asset comprises the copyright of the Coates Herd Book, and is stated at cost.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

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

| | |
|---------------------|-------------------------|
| Leasehold buildings | 2.5% straight line |
| Equipment | 10% - 20% straight line |

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SOFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

The investment in the subsidiary is measured at cost less impairment.

Stocks

Stock has been valued at the lower of cost and net realisable value.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Operating leases

Rentals payable and receivable under operating leases are charged to the SOFA on a straight line basis over the period of the lease.

Pensions

The company operates defined contribution pension schemes. Contributions payable during the year are charged in the statement of financial activities in the period to which they relate.

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND
(REGISTERED NUMBER: 00009597)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies

Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Related company and consolidation

The company owns 100% of the issued ordinary share capital of Shorthorn Sires UK Limited (incorporated in the United Kingdom). The company and its subsidiary comprise a small group. The company has therefore taken advantage of the exemption provided by section 398 of the Companies Act 2006 not to prepare group accounts.

3. Net income

| | 2016 £ | 2015 £ |
|---------------------------------------|--------------|--------------|
| Net income is stated after charging: | | |
| Depreciation of tangible fixed assets | 3,408 | 2,956 |
| Loss on sale of fixed assets | 300 | - |
| Operating lease costs | <u>3,503</u> | <u>3,503</u> |

4. Independent examiners remuneration

The independent examiners remuneration amounts to an independent examination fee of £1,700.

5. Trustee remuneration and other benefits

No trustees' remuneration or other benefits were paid during the year.

Trustees' expenses

| | | |
|----------------------------|---|---|
| Reimbursed travel expenses | = | = |
|----------------------------|---|---|

6. 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 | 70,547 | 61,898 |
| Social security costs | 4,589 | 3,284 |
| Employers pension | 851 | 316 |
| | <u>75,987</u> | <u>65,498</u> |

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

7. Intangible fixed assets

| | | |
|---------------------------------------|----------|----------|
| Copyright at cost – Coates' Herd Book | <u>5</u> | <u>5</u> |
|---------------------------------------|----------|----------|

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND
(REGISTERED NUMBER: 00009597)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. Tangible fixed assets

| | Short Leasehold Buildings £ | Equipment £ | Total £ |
|-----------------------|--------------------------------------|----------------|----------------|
| Cost | | | |
| At 1 January 2016 | 70,623 | 11,127 | 81,750 |
| Additions | - | 4,417 | 4,417 |
| Disposals | - | <u>(2,172)</u> | <u>(2,172)</u> |
| At 31 December 2016 | <u>70,623</u> | <u>13,372</u> | <u>83,995</u> |
| Depreciation | | | |
| At 1 January 2016 | 62,447 | 10,347 | 72,794 |
| Charge for the year | 2,044 | 1,364 | 3,408 |
| Disposals | - | <u>(1,872)</u> | <u>(1,872)</u> |
| At 31 December 2016 | <u>64,491</u> | <u>9,839</u> | <u>74,330</u> |
| Net book value | | | |
| At 31 December 2016 | <u>6,132</u> | <u>3,533</u> | <u>9,665</u> |
| At 31 December 2015 | <u>8,176</u> | <u>780</u> | <u>8,956</u> |

9. Investments

| | 2016 £ | 2015 £ |
|---|----------------|----------------|
| Listed investments held 1 January 2016 | 241,300 | 235,759 |
| Purchases at cost | 6,560 | 11,327 |
| Sales proceeds | (55,509) | (8,530) |
| Revaluation | <u>11,461</u> | <u>2,744</u> |
| Listed investments held 31 December 2016 (all quoted on a recognised stock exchange) | 203,812 | 241,300 |
| Shares in group company | <u>1,000</u> | <u>1,000</u> |
| | <u>204,812</u> | <u>242,300</u> |

Shares in subsidiaries

Name: Shorthorn Sires UK Limited

Company number: 02937523 (England and Wales)

Nature of business: Selling of Shorthorn semen

Class of shares: Ordinary - Holding: 100%

Aggregate capital and reserves

Profit / (loss) for the year

| | |
|----------|----------|
| 9,294 | 9,294 |
| <u>-</u> | <u>-</u> |

10. Stocks

| | £ | £ |
|------------------|------------|------------|
| Goods for resale | <u>976</u> | <u>835</u> |

**SHORTHORN SOCIETY OF THE UNITED KINGDOM
OF GREAT BRITAIN AND IRELAND
(REGISTERED NUMBER: 00009597)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. Debtors

| | 2016 | 2015 |
|------------------------------|----------------------|----------------------|
| | £ | £ |
| Trade debtors | 45,872 | 43,579 |
| Amount owed by group company | 26,262 | 28,683 |
| Prepayments | <u>4,259</u> | <u>6,465</u> |
| | <u><u>76,393</u></u> | <u><u>78,727</u></u> |

12. Creditors: amounts falling due within one year

| | | |
|------------------------------|----------------------|----------------------|
| Trade creditors | 4,257 | 6,680 |
| Deferred income | 1,417 | 724 |
| Taxation and social security | 6,867 | 4,054 |
| Value added tax | 10,871 | 12,022 |
| Accruals | <u>1,904</u> | <u>2,757</u> |
| | <u><u>25,316</u></u> | <u><u>26,237</u></u> |

13. Funds

All funds are unrestricted

14. Other financial commitments

Total amount of financial commitments and contingencies is £11,708

15. Related company and consolidation

The Society owns 100% of the issued share capital of Shorthorn Sires Limited, formerly 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 | 58,582 | 70,507 |
| Cost of sales | <u>36,056</u> | <u>40,280</u> |
| Gross profit | 22,526 | 30,227 |
| Administrative expenses | <u>16,659</u> | <u>13,679</u> |
| | 5,867 | 16,548 |
| Interest receivable | <u>1</u> | <u>4</u> |
| | 5,868 | 16,552 |
| Gift aid donation | <u>5,868</u> | <u>16,552</u> |
| Retained income | - | - |
| Reserves 1 January 2016 | <u>9,294</u> | <u>9,294</u> |
| Reserves 31 December 2016 | <u><u>9,294</u></u> | <u><u>9,294</u></u> |