

# **THE HEREFORD CATTLE SOCIETY**

(A company limited by guarantee)

**YEAR ENDED 30 JUNE 2013**

## **ANNUAL REPORT**

**Charity Number: 217428**

**Company Number: 12100**

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**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

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**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

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**REPORT OF THE COUNCIL MEMBERS**

The Council has pleasure in presenting its annual report, including the financial statements of the Society, for the year ended 30 June 2013. The Society is a company limited by guarantee and not having a share capital. As such it is governed by its Memorandum and Articles of Association. It was incorporated on 5 March 1878. The financial statements have been prepared in accordance with the Society's Memorandum and Articles of Association, applicable law and United Kingdom Generally Accepted Accounting Practice.

**1. OBJECTS OF THE SOCIETY, PRINCIPAL ACTIVITIES AND ORGANISATION**

The Charity Number is 217428. The Society is established to maintain unimpaired the purity of, and improve the breed of, cattle known as Herefords and to promote impartially the breeding of all the various tribes, families and strains of such cattle.

The Society's promotional activities during the year have been aimed at attracting new breeders for the expansion of the breed.

To achieve its objectives, the Society has participated in numerous promotional events throughout the country.

The Society has adopted an internationally renowned recording and performance programme to provide breeders and users of the breed with appropriate information for the improvement, furtherance and expansion of the breed.

A Council of 16 members is elected by the general membership at 3 yearly intervals and meet with the Breed Secretary regularly. The Council make all policy decisions. The Breed Secretary is responsible for carrying out these policies and for all office administration procedures.

The Society's plans for the future are to continue the promotion and expansion of the breed both domestically and internationally. With the expanding export market, the Society plans, with the benefits of data from its cattle performance programme, to promote the breed overseas in order to establish export markets.

**2. COUNCIL MEMBERS**

The Council Members during the year were

Mrs A Anderson	Mr R Hutchings	Mr B A Rimmer (President)
Mrs C S Fletcher	Mr D Kelly	Mr D Smyth
Mr D Gatehouse	Mr T Livesey	Mr A Spooner
Mr F Hawke	Mr R P Mann (Chairman)	Mr T G Thorne
Mr H Hewlett	Mr W R Milner*	Mrs H M Timmis
Mr J E Hewitson*	Mr J Moorhouse	Mr R J B Wilson

(\* Denotes Honorary Member of Council)

The Council Members are elected triennially by a ballot of the members of the Society. The current Council took office on 14<sup>th</sup> February 2012.

Council Members must, at the time of their election, be actual breeders of Hereford Cattle (as defined in the Memorandum and Articles) and are elected on an area basis.

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**REPORT OF THE COUNCIL MEMBERS**

As and when new Council Members (Trustees) are elected, they are provided with all appropriate guidelines for the trusteeship

**PRESIDENT**

Mr B A Rimmer

The President is elected annually by Council and is a member of Council only for the period in which he/she holds office, unless a member prior to his/her election

**VICE PRESIDENT**

Mr J Kemp

**BREED SECRETARY**

Mr D E Prothero

**3. REVIEW OF THE YEAR AND FUTURE DEVELOPMENTS**

The year has been yet another good one for the Society

For the second year in succession we elected in excess of 100 new members and our Profit and Loss Account has remained in surplus despite the cessation of Beef Scheme Levies from Dovecote Park as explained in last year's report

The poor summer of 2012 followed by a long wet Winter, which carried on into the Spring, caused problems for all concerned within our Industry but fortunately, we are working with a Breed that thrives and survives in all conditions

The year started with a very successful and well attended World Hereford Conference hosted by the Canadian Hereford Association in Calgary and Olds. An excellent line-up of Speakers in Calgary and a massive turn out for the Cattle Show in Olds left us all in no doubt that the resurgence of the Breed is occurring all over the World

We were also justly proud of our three youngsters, sponsored by the Society, who attended to participate in the 'Junior Bonanza'. They were truly great ambassadors for our Breed and this has led to the Society's Council agreeing the terms of an Annual Junior Bursary to fund similar overseas travel in the future

As we went through the Summer Show Season it was our Breed that again regularly dominated the circuit, outnumbering other Breeds and continuing to add to its Inter-Breed successes – in one week alone during the Summer taking three Inter-Breed Championships at three different Shows with three different bulls – some feat

In the Autumn we saw the record breaking Dispersal Sale of the Badlingham, Hermitage & Hillrow herds based in Cambridgeshire where Cow & Calf pairs sold to average £3,350.00 and Incalf & Bulling Heifers averaging over £2,750.00 and £2,000.00 respectively. This was the first on-farm Sale organised for over two years and certainly stimulated tremendous interest

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**REPORT OF THE COUNCIL MEMBERS**

During the Winter we entered the Season for Calf Shows – the National held in conjunction with Agri-Expo in Carlisle, Northern Ireland at Dungannon, the Midlands & East Anglia in Newark and a new Show emerging at Forfar in Scotland. Finally there was the Annual Christmas Calf Show held in Shrewsbury hosted by the Hereford Cattle Breeders Association, now firmly established and promoted as Europe's largest Hereford Cattle Show with over 130 calves entered plus 30 Pairs & Groups.

The enthusiasm for these Shows must be commended particularly the involvement of our young breeders as can be seen by the reports on these events that appeared in the last Breed Journal.

The early part of the year saw an exciting increase in demand for Branded Hereford Beef. Following a 15 year successful involvement with Hereford Beef being sold throughout the country in Waitrose Stores, we saw two new Stores come on line – Lidl in Northern Ireland, through Linden Foods, and the Co-operative in England, Wales & Northern Ireland through Dunbia. We saw Hereford Beef arrive on the shelves at Lidl and the Co-operative as their Premium Beef Product and the early results are extremely promising with demand exceeding expectations. In the case of the Co-operative, sales of the new Hereford range are already up by 18% on their forecast.

The increased interest and demand for the breed, coupled with the increasing demand for quality beef certainly augurs well for our future and we look forward to working closely with all involved to further the success of our Breed and its role as a natural producer of quality beef second to none.

As we approached the end of the year we were again involved with the Annual Beef Expo Event held once more at Malvern on the Royal Three Counties Showground.

We have to commend all those involved, both staff and breeders, staging an excellent Breed Exhibit which, for the second year in succession, won the Award for the Best Breed Stand and deservedly so.

Finally we must report that the life-size bronze statue of a Hereford Bull in the City Centre of Hereford has created tremendous interest amongst visitors to the area and complements the adoption of the 'Hereford Bull' as the emblem of both the City of Hereford and the County of Herefordshire.

The statue was to commemorate Her Majesty the Queen's Diamond Jubilee and was funded by local breeder, Clive Richards and his wife Sylvia of Lowerhope Herefords and backed by the local City Council.

**Public Benefit**

The trustees consider that they have complied with the duty in section 4 of the Charities Act 2011, in having due regard to public benefit.

In this regard, the Society implements Breed Improvement Schemes to facilitate the economic and efficient production of beef, constantly taking into consideration eco friendly systems of extensive food production using, whenever and wherever possible, natural resources.

The Hereford, a Breed that is renowned internationally for its ability to utilise natural grazing areas of the World to produce high quality beef economically. The Society will continue to promote this aspect of the Breed so as to increase its use with the aim of assisting the farming industry to meet the extremely challenging financial constraints put upon them in the current period of austerity.

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

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**REPORT OF THE COUNCIL MEMBERS**

**4. FINANCIAL REVIEW**

The financial results for the charity are as detailed in the Statement of Financial Activities on page 9 and the Balance Sheet on page 13. The Charity had net incoming resources in the year of £21,879 (2012 – £64,534) resulting in total assets of £679,787 (2012 - £657,908)

**5. RISK MANAGEMENT**

The Council Members actively review the major risks, which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The Council Members have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

**6. RESERVES POLICY**

It is the policy of the charity to maintain unrestricted funds at a level, which equate to approximately 12 months' unrestricted expenditure. This provides sufficient funds to cover management and administration and support costs. Unrestricted funds are maintained at least at this level throughout the year.

**7. INVESTMENT POLICY**

Council uses its investment advisors to meet its requirements, which is to generate income. This has been achieved with a mix of equity and fixed return investments. Council is satisfied with the returns achieved given current market conditions.

# **THE HEREFORD CATTLE SOCIETY (Company number 12100)**

**YEAR ENDED 30 JUNE 2013**

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## **REPORT OF THE COUNCIL MEMBERS**

### **8. PRINCIPAL ADVISORS**

The principal advisors to the charity during the year were as follows

SOLICITORS	T A Matthews & Co First Floor Broadway House 32 – 35 Broad Street Hereford HR4 9AR
BANKERS	National Westminster Bank Plc 12 Broad Street Hereford HR4 9AH
INDEPENDENT AUDITORS	Baldwins (Stourbridge) Limited Copthall House 1 New Road Stourbridge West Midlands DY8 1PH
INVESTMENT ADVISORS	J M Finn and Co Salisbury House London Wall London EC2M 5TA

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**REPORT OF THE COUNCIL MEMBERS**

**9. STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES**

The Council Members (who are also directors of The Hereford Cattle Society for the purposes of company law) are responsible for preparing the Report of the Council Members and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Council Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the Council Members are required to

- select suitable accounting policies, and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments 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

The Council Members are responsible for keeping proper accounting records that 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.

So far as the Council Members are aware,

- there is no relevant audit information of which the Charitable company's auditor is unaware, and
- the Council Members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Council Members are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

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

On behalf of the Board of Council Members

Registered Office  
Hereford House  
3 Offa Street  
Hereford  
HR1 2LL

R P Mann  
Chairman

*RP Mann*

B Rimmer  
President

*B. Rimmer*

17<sup>th</sup> September 2013



**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

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**INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF  
THE HEREFORD CATTLE SOCIETY**

We have audited the financial statements of The Hereford Cattle Society for the year ended 30 June 2013 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 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 Society and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the trustees' annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2013, and of its incoming resources and application of resources, including its income and expenditure, 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which financial statements are prepared is consistent with the financial statements.

**(Continued)**

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**

**YEAR ENDED 30 JUNE 2013**

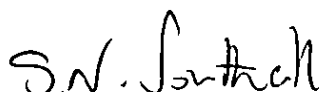
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**INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF  
THE HEREFORD CATTLE SOCIETY**

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of members' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the members were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Members' Annual Report



Mr S N Southall (Senior Statutory Auditor)  
For and on behalf of Baldwins (Stourbridge)  
Limited, Statutory Auditor

Copthall House  
1 New Road  
Stourbridge  
DY8 1PH

6<sup>TH</sup> December 2013

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

**STATEMENT OF FINANCIAL ACTIVITIES**

	Note	Restricted Funds £	Unrestricted Funds £	Total 2013 £	Total 2012 £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	5,192	1,088	6,280	-
Activities for generating funds	2	-	65,578	65,578	68,850
Investment income	2	-	17,445	17,445	17,001
<b>Incoming resources from charitable activities</b>	2	-	286,706	286,706	306,392
<b>TOTAL INCOMING RESOURCES</b>		<b>5,192</b>	<b>370,817</b>	<b>376,009</b>	<b>392,243</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	3	5,192	364,296	369,488	345,222
Governance costs	3	-	3,165	3,165	3,986
<b>TOTAL CHARITABLE EXPENDITURE</b>		<b>5,192</b>	<b>367,461</b>	<b>372,653</b>	<b>349,208</b>
<b>TOTAL RESOURCES EXPENDED</b>		<b>5,192</b>	<b>367,461</b>	<b>372,653</b>	<b>349,208</b>
<b>NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>	5	-	3,356	3,356	43,035
<b>OTHER RECOGNISED GAINS AND LOSSES</b>					
Unrealised profit on revaluation		-	-	-	37,500
Unrealised (loss)/ profit on investments		-	(2,003)	(2,003)	(22,692)
Profit/(loss) on disposal of investments		-	20,526	20,526	6,691
<b>NET MOVEMENT IN FUNDS</b>		<b>-</b>	<b>21,879</b>	<b>21,879</b>	<b>64,534</b>
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>-</b>	<b>657,908</b>	<b>657,908</b>	<b>593,374</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>-</b>	<b>679,787</b>	<b>679,787</b>	<b>657,908</b>

All amounts derive from continuing activities

There were no recognised gains or losses other than through the Statement of Financial Activities

The notes on pages 14 to 22 form part of these financial statements

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

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(continued)

**STATEMENT OF FINANCIAL ACTIVITIES**

	<b>Restricted Funds £</b>	<b>Unrestricted Funds £</b>	<b>Total £</b>
<b>CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE</b>			
Net Movement in Funds for the Year	-	21,879	21,879
Resources used for Net Acquisitions of Fixed Assets for Charity use	-	17,980	17,980
Net Movement in Funds Available for future activities	-	3,899	3,899

The notes on pages 14 to 22 form part of these financial statements

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

**INCOME AND EXPENDITURE ACCOUNT**

	Note	Total 2013 £	Total 2012 £
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generated funds</b>			
Voluntary income	2	6,280	-
Activities for generating funds	2	65,578	68,850
Investment income	2	17,445	17,001
<b>Incoming resources from charitable activities</b>	2	<u>286,706</u>	<u>306,392</u>
<b>TOTAL INCOMING RESOURCES</b>		<u>376,009</u>	<u>392,243</u>
<b>RESOURCES EXPENDED</b>			
Charitable activities	3	369,488	345,222
Governance costs	3	3,165	3,986
<b>TOTAL CHARITABLE EXPENDITURE</b>		<u>372,653</u>	<u>349,208</u>
<b>TOTAL RESOURCES EXPENDED</b>		<u>372,653</u>	<u>349,208</u>
Profit/(loss) on disposal of fixed asset investments		20,526	6,691
<b>NET INCOME FOR THE YEAR</b>	5	<u>23,882</u>	<u>49,726</u>

The notes on pages 14 to 22 form part of these financial statements

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	Total 2013 £	Total 2012 £
Net income for the year	23,882	49,726
Unrealised (loss)/profit on revaluation of fixed asset investments	(2,003)	(22,692)
Unrealised surplus on revaluation of fixed assets	-	37,500
Total recognised gains and (losses) relating to the year	<u>21,879</u>	<u>64,534</u>
Total gains and (losses) recognised since last annual report	<u>21,879</u>	

The notes on pages 14 to 22 form part of these financial statements

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

**BALANCE SHEET**

		<u>2013</u>		<u>2012</u>	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible Fixed Assets	6		2,500		5,000
Tangible Assets	7		243,682		241,547
Investments	8		330,705		348,077
			<u>576,887</u>		<u>594,624</u>
<b>CURRENT ASSETS</b>					
Stock	9	8,964		9,124	
Debtors	10	32,066		52,805	
Cash at bank and in hand		107,366		51,365	
		<u>148,396</u>		<u>113,294</u>	
Creditors amounts falling due within one year	11	(45,496)		(50,010)	
<b>NET CURRENT ASSETS</b>			102,900		63,284
<b>NET ASSETS</b>	12		<u>679,787</u>		<u>657,908</u>
<b>FUNDS</b>					
Unrestricted Funds					
Revaluation Reserve	13		149,400		149,400
Designated Reserves	13		113,236		110,265
Restricted	13		-		-
General	13		417,151		398,243
			<u>679,787</u>		<u>657,908</u>

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

These accounts were approved by the Council Members on 17<sup>th</sup> September, 2013 and signed on their behalf by

R P Mann  
Chairman

RP Mann

The notes on pages 14 to 22 form part of these financial statements

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. PRINCIPAL ACCOUNTING POLICIES**

**a) Basis of Accounting**

The financial statements are prepared under the historical cost convention as modified by the inclusion of certain fixed assets at valuation and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). In preparing the financial statements, the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005).

**b) Incoming Resources**

Income is included in the Statement of Financial Activities in the year in which it is receivable. The value of services provided by volunteers has not been included.

**c) Resources Expended**

All expenditure is included on an accruals basis and has been classified under headings that aggregate all costs related to that category. However, the cost of direction and administration of that activity consists mostly of the staff and overhead costs of Hereford House. The costs are attributed to the management and administration costs of the charity as, in the opinion of Council, this most accurately affects their nature.

**d) Fixed Assets**

Fixed assets are stated at cost or valuation. Items are capitalised where the acquisition cost exceeds £100.

Depreciation is provided on all tangible fixed assets, except those described below, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Motor Vehicles	25% reducing balance
Office fixtures, fittings, equipment and furniture	20% reducing balance, 20% straight line
	10% reducing balance, 25% reducing balance
Breedplan set up costs	33% straight line

Oil paintings and pictures are stated at valuation. No depreciation is provided in respect of oil paintings and pictures as, in the opinion of Council, their value increases over time and a depreciation charge would therefore not be appropriate.

The Council carries out a continual programme of repairs and maintenance to its freehold buildings, the cost of which is charged to the statement of financial activities. In the opinion of Council, the useful economic life of the freehold buildings is in excess of 50 years, and the programme of repairs and maintenance holds their residual value at a level that a depreciation charge would not be material.

**e) Stock**

Stock is valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less estimated cost of disposal.



**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

**NOTES TO THE FINANCIAL STATEMENTS**

**f) Leasing and hire purchase commitments**

Rentals received under operating leases are included in income as receivable

**g) Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

**h) Fixed asset investments**

Included within fixed asset investments are shares held for generating investment income. The market value of those investments is shown in the financial statements.

**i) Intangible fixed assets**

Intangible fixed assets are amortised evenly over their estimated useful lives.

Trade Mark – 5 years

Breedplan – 3 years

**j) Fund accounting**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Unrestricted reserves include a revaluation reserve representing the restatement of fixed assets at market value.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.
- Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**2. ANALYSIS OF INCOMING RESOURCES**

	2013 £	2012 £
<b>Voluntary income</b>		
Donations	1,088	-
The Canadian Hereford Association grant (restricted)	5,192	-
	<u>6,280</u>	<u>-</u>
<b>Activities for generating funds</b>		
Rental income	<u>65,578</u>	<u>68,850</u>
<b>Investment income</b>		
Income received from fixed asset investments	17,407	16,982
Interest received	38	19
	<u>17,445</u>	<u>17,001</u>
<b>Incoming resources from charitable activities</b>		
Membership income	67,583	63,571
Gift aid	13,374	10,888
Registration and transfer fees	185,938	186,831
Sales and commissions	11,847	4,360
Beef scheme levies	7,539	39,792
Export fees	425	950
	<u>286,706</u>	<u>306,392</u>

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

**NOTES TO THE FINANCIAL STATEMENTS**

**3. ANALYSIS OF RESOURCES EXPENDED**

	<b>Basis of Allocation</b>	<b>Activities in Furtherance of the breed £</b>	<b>Rental Income £ /</b>	<b>Governance £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
<b>Grants Payable</b>						
The amount payable in the year comprises						
Northern Ireland Hereford Breeders Association	Direct	500	-	-	500	500
Scottish Hereford Breeders Association	Direct	500	-	-	500	500
M & E A Hereford Breeders Association	Direct	500	-	-	500	500
Hereford Cattle Breeders Association	Direct	500	-	-	500	-
South Western H A	Direct	441	-	-	441	-
South of England H B A	Direct	500	-	-	500	484
North of England H B A	Direct	500	-	-	500	124
Powys Hereford Club	Direct	255	-	-	255	130
North Wales Club	Direct	290	-	-	290	125
		<u>3,986</u>	<u>-</u>	<u>-</u>	<u>3,986</u>	<u>2,363</u>
<b>Furtherance and Promotion of the Breed</b>						
Breed promotion and publicity	Direct	81,078	-	-	81,078	84,039
Other costs	Direct	39,006	-	-	39,006	24,243
		<u>120,084</u>	<u>-</u>	<u>-</u>	<u>120,084</u>	<u>108,282</u>
<b>Property, Equipment, Management and Administration</b>						
Property and equipment costs	Direct	25,029	13,547	-	38,576	37,272
Staff costs	Usage	175,621	5,720	-	181,341	177,567
Office costs	Direct	19,115	-	-	19,115	15,263
Other costs	Direct	6,386	-	-	6,386	4,475
		<u>226,151</u>	<u>19,267</u>	<u>-</u>	<u>245,418</u>	<u>234,577</u>
<b>TOTAL CHARITABLE ACTIVITIES</b>		<u>350,221</u>	<u>19,267</u>	<u>-</u>	<u>369,488</u>	<u>345,222</u>
<b>Governance Costs</b>						
Audit and professional fees	Direct	-	-	3,165	3,165	3,986
<b>TOTAL GOVERNANCE COSTS</b>		<u>-</u>	<u>-</u>	<u>3,165</u>	<u>3,165</u>	<u>3,986</u>
<b>TOTAL RESOURCES EXPENDED</b>		<u>350,221</u>	<u>19,267</u>	<u>3,165</u>	<u>372,653</u>	<u>349,208</u>

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

**NOTES TO THE FINANCIAL STATEMENTS**

**4. STAFF COSTS**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Wages and salaries	149,976	145,999
Social security costs	15,575	15,277
Other pension costs	15,790	16,291
	<u>181,341</u>	<u>177,567</u>

**Average number employed**

	<b>Number</b>	<b>Number</b>
Administration	<u>6</u>	<u>6</u>

No employee earned £50,000 per annum or more in the current or prior year

**Council Members Emoluments**

Members of the Council act in an unpaid capacity and do not accrue benefits under the pension scheme

**Pension Scheme – Defined Contribution**

The pension charge for the year was £15,790 (2012 £16,291) Contributions of £10,000 were paid in advance during the year (2012 £7,594)

**5. NET INCOMING RESOURCES**

Net incoming resources are stated after charging

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration	2,300	2,300
Depreciation	<u>13,345</u>	<u>8,135</u>

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. INTANGIBLE FIXED ASSETS**

	<b>Certified Trade Mark £</b>	<b>Breedplan Setting Up Costs £</b>	<b>Total £</b>
<b>Cost</b>			
1 July 2012	3,966	25,480	29,446
Additions	-	-	-
30 June 2013	<u>3,966</u>	<u>25,480</u>	<u>29,446</u>
<b>Accumulated Depreciation</b>			
1 July 2012	3,966	20,480	24,446
Charge for year	-	2,500	2,500
30 June 2013	<u>3,966</u>	<u>22,980</u>	<u>26,946</u>
<b>Net Book Value</b>			
30 June 2013	<u>-</u>	<u>2,500</u>	<u>2,500</u>
1 July 2012	<u>-</u>	<u>5,000</u>	<u>5,000</u>

**7. TANGIBLE ASSETS**

	<b>Freehold Property</b>	<b>Short Leasehold Property</b>	<b>Furniture Office Fixtures &amp; Fittings</b>	<b>Motor Vehicles</b>	<b>Oil Paintings &amp; Pictures</b>	<b>Total</b>
<b>Cost or Valuation</b>						
1 July 2012	48,545	56,000	128,980	38,274	157,594	429,393
Additions	-	-	230	17,750	-	17,980
Revaluation	-	-	-	-	-	-
Disposals	-	-	-	(15,799)	-	(15,799)
30 June 2013	<u>48,545</u>	<u>56,000</u>	<u>129,210</u>	<u>40,225</u>	<u>157,594</u>	<u>431,574</u>
<b>Accumulated Depreciation</b>						
1 July 2012	-	56,000	115,427	16,419	-	187,846
Charge for year	-	-	2,194	8,651	-	10,845
Disposals	-	-	-	(10,799)	-	(10,799)
30 June 2013	<u>-</u>	<u>56,000</u>	<u>117,621</u>	<u>14,271</u>	<u>-</u>	<u>187,892</u>
<b>Net Book Value</b>						
30 June 2013	<u>48,545</u>	<u>-</u>	<u>11,589</u>	<u>25,954</u>	<u>157,594</u>	<u>243,682</u>
1 July 2012	<u>48,545</u>	<u>-</u>	<u>13,553</u>	<u>21,855</u>	<u>157,594</u>	<u>241,547</u>

Certain parts of the freehold property are held for use in operating leases

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

**NOTES TO THE FINANCIAL STATEMENTS**

Hereford House, Offa Street was purchased in 1920 for £2,500 and subsequently various capital purchases were made including adjacent land (now Hereford House, East street) and the Society's Car Park bringing the total purchase price to £48,545

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Oil paintings and pictures at valuation</b>		
Valuation in 2012 by Brightwells, auctioneers and valuers	<u>157,500</u>	<u>157,500</u>
<b>Historical cost information</b>		
Historical cost of revalued paintings and pictures	<u>565</u>	<u>565</u>

During the year ended 30 June 2012, Brightwells, professional auctioneers and valuers, carried out a valuation of the oil paintings. The valuation provided was the value for insurance purposes, based on current market conditions. Brightwells are members of the Society of Fine Art Auctioneers. The value on the balance sheet has been revalued accordingly.

The paintings were previously valued at £120,000 by Brightwells in 2009.

**8. FIXED ASSET INVESTMENT**

Fixed asset investments comprise listed investments as follows

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Valuation at 1 July 2012	348,077	320,863
Additions	150,318	49,906
Disposals	(165,687)	-
(Loss)/gain on revaluation	(2,003)	(22,692)
Valuation at 30 June 2013	<u>330,705</u>	<u>348,077</u>
<b>Historical cost of investments held</b>	<u>318,875</u>	<u>334,244</u>

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

**NOTES TO THE FINANCIAL STATEMENTS**

The market values of investments held at the balance sheet date are

	2013 £	2012 £
BP	19,803	9,283
Scottish and Southern Energy	15,230	34,775
Royal Dutch Shell Transport	26,874	27,479
Tate & Lyle	24,735	27,519
Balfour Beatty	-	16,315
Standard Chartered	10,560	10,245
Albion V C T	12,825	12,445
Anglo Pacific	5,941	8,540
National Grid	14,174	16,550
Smith (DS)	-	25,292
Nationwide 7 5% bonds	17,600	20,175
Albion Technology & General	10,934	9,159
Statoil	19,685	21,904
Amlin	21,675	15,257
Drax Group Plc	-	21,747
Glaxosmithkline	13,596	11,938
Antofagasta	-	13,600
Treasury stock	-	16,796
Standard Chartered bonds	14,941	14,678
Aviva	-	14,380
RSA Insurance	15,470	-
Hansteen Holdings	13,365	-
Novo Nordisk	20,484	-
Segro Plc	18,846	-
Greggs	17,531	-
HSBC Holdings	16,436	-
	<u>330,705</u>	<u>348,077</u>

All of the Society's investments are held in the United Kingdom

**9. STOCKS**

	2013 £	2012 £
Goods for resale	<u>8,964</u>	<u>9,124</u>

**10. DEBTORS**

	2013 £	2012 £
Trade debtors	15,539	30,301
Other debtors and prepayments	<u>16,527</u>	<u>22,504</u>
	<u>32,066</u>	<u>52,805</u>

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

**NOTES TO THE FINANCIAL STATEMENTS**

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £	2012 £
Taxation and social security	10,304	13,203
Other creditors and accruals	35,192	36,807
	<u>45,496</u>	<u>50,010</u>

**12. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	General Fund £	Restricted Fund £	Designated Funds £	Revaluation Fund £	Total £
Intangible fixed assets	2,500	-	-	-	2,500
Tangible fixed assets	94,282	-	-	149,400	243,682
Investments	330,705	-	-	-	330,705
Current assets	35,160	-	113,236	-	148,396
Current liabilities	(45,496)	-	-	-	(45,496)
	<u>417,151</u>	<u>-</u>	<u>113,236</u>	<u>149,400</u>	<u>679,787</u>

**13. MOVEMENT IN FUNDS**

	At 1 July 2012 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 30 June 2013 £
<b>Unrestricted funds</b>					
Revaluation fund	149,400	-	-	-	149,400
Designated fund 1	107,389	7,539	4,380	-	110,548
Designated fund 2	2,876	-	188	-	2,688
Restricted fund	-	5,192	5,192	-	-
General fund	398,243	383,804	364,896	-	417,151
<b>Total</b>	<u>657,908</u>	<u>396,535</u>	<u>374,656</u>	<u>-</u>	<u>679,787</u>

**Revaluation Fund**

The revaluation fund is required by the Companies Act 2006 and represents the amount by which fixed assets stated at a valuation exceed their historical cost

**Restricted fund**

Represents grant income received from The Canadian Hereford Association to be used specifically towards the costs of staff and young breeders attending the World Conference in Canada in July 2012

**Designated fund 1**

This designated fund represents income received from beef scheme levies which is used for the promotion of schemes which aim to improve the Breed

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**Designated fund 2**

This designated fund represents donations received which are to be used towards the development of young breeders

**14. GUARANTEE**

Members of the Society guarantee to contribute an amount not exceeding £5 to the assets of the Society in the event of a winding up in the time that they are members, or within one year of ceasing to be a member. The total number of such guarantees at 30 June 2013 was 1,257 (2012 – 1,216)

**15. RELATED PARTY TRANSACTIONS**

Members of Council enter into transactions with the Society in the normal course of business and on identical terms to every other member of the Society. During the year sales amounting to £28,696 were made to Members of Council.

**16. PROVISION FOR LIABILITIES AND CHARGES**

Included within Other Creditors is a provision of £20,833 for the settlement relating to the leasehold property at Stoneleigh.



**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

**DETAILED PROFIT AND LOSS ACCOUNT**

	<b>2013 £</b>	<b>2012 £</b>
<b>Turnover</b> (Appendix 1)	292,986	306,392
Administrative expenses (Appendix 2)	(372,653)	(349,208)
Other operating income	65,578	68,850
<b>Operating (loss)/profit</b>	<u>(14,089)</u>	<u>26,034</u>
Investment income	17,445	17,001
<b>Profit on ordinary activities before taxation</b>	<u>3,356</u>	<u>43,035</u>
Profit/(loss) on disposal of investments	20,526	6,691
<b>Trading profit for the financial year</b>	<u><u>23,882</u></u>	<u><u>49,726</u></u>

**RECONCILIATION OF PROFIT AND LOSS ACCOUNT TO  
STATEMENT OF FINANCIAL ACTIVITIES**

	<b>2013 £</b>	<b>2012 £</b>
<b>Trading profit for the financial year</b>	23,882	49,726
Profit on revaluation of fixed assets	-	37,500
(Loss)/profit on revaluation of investments	(2,003)	(22,692)
<b>Net movement in funds</b>	<u><u>21,879</u></u>	<u><u>64,534</u></u>

*This schedule does not form part of the statutory financial statements*

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

**DETAILED PROFIT AND LOSS ACCOUNT**

(Appendix 1)

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>TURNOVER</b>		
Membership income (Note i)	80,957	74,459
Registration fees	156,072	156,526
Transfer fees	27,240	27,875
Herd name registrations	2,626	2,430
Export fees	425	950
Sales of publications (Note ii)	1,097	676
Society shows and sales	2,893	3,210
Private sales	6,058	-
Semen sales	1,799	474
Beef scheme levies	7,539	39,792
Donations	1,088	-
Grants World Conference	5,192	-
	<u>292,986</u>	<u>306,392</u>
 <b>(i) Membership Income</b>		
Members' annual subscriptions	63,423	59,371
Entrance fees on admission to membership	4,160	4,200
Gift Aid	13,374	10,888
	<u>80,957</u>	<u>74,459</u>
 <b>(ii) Sales of Publications</b>		
Herd book volumes	530	41
Other publications	567	635
	<u>1,097</u>	<u>676</u>

*This schedule does not form part of the statutory financial statements*

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

**DETAILED PROFIT AND LOSS ACCOUNT**

(Appendix 2)

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Grants	3,986	2,363
Subscriptions	1,565	675
Publicity expenses	76,698	79,724
General running costs (Note 1)	255,421	242,670
Depreciation and amortisation (Note 11)	13,345	8,135
Provision for World and European conferences	1,500	1,500
World conference expenses	4,352	-
Breed improvement scheme	4,380	4,315
Breedplan costs	11,406	9,826
	<u>372,653</u>	<u>349,208</u>
<b>(1) General Running Costs</b>		
Salaries	165,551	161,276
Pension scheme payments	15,790	16,291
Pension to former employee	1,000	1,000
Auditor's fees	2,300	2,300
Legal and professional fees	865	1,686
Rates	8,729	8,872
Repairs, renewals and maintenance	8,570	11,725
Insurance	4,417	4,112
Printing and stationery	6,685	5,946
Postage	8,993	5,882
Telephone	3,437	3,435
Office cleaning	5,663	4,727
Electricity	6,956	5,571
Vehicle expenses	2,311	1,794
Travelling, subsistence and hospitality	6,721	4,578
Bad debts	2,047	-
Sundry expenses	2,111	1,847
DNA testing	1,050	975
Bank charges	2,225	653
	<u>255,421</u>	<u>242,670</u>
<b>(ii) Depreciation</b>		
Breedplan amortisation	2,500	2,500
Furniture, office fixtures and equipment	2,194	2,265
Motor vehicles	8,651	7,285
Profit on disposal of motor vehicle	-	(3,915)
	<u>13,345</u>	<u>8,135</u>

*This schedule does not form part of the statutory financial statements*

**THE HEREFORD CATTLE SOCIETY (Company number 12100)**  
**YEAR ENDED 30 JUNE 2013**

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**MEMBERSHIP**

	<b>Number of Members 2013</b>	<b>Number of Members 2012</b>
Northern Ireland	118	115
Scotland	72	74
Wales	227	220
North of England	155	146
South of England	117	110
South West of England	124	118
Midlands and East Anglia	172	162
West Midlands	245	242
Overseas	27	29
	<u>1,257</u>	<u>1,216</u>

**NUMBER OF NEW MEMBERS ELECTED**

2000/2001	33 Members
2001/2002	28 Members
2002/2003	64 Members
2003/2004	84 Members
2004/2005	97 Members
2005/2006	94 Members
2006/2007	91 Members
2007/2008	87 Members
2008/2009	81 Members
2009/2010	96 Members
2010/2011	94 Members
2011/2012	105 Members
2012/2013	104 Members

*This schedule does not form part of the statutory financial statements*