

**THE LONGHORN CATTLE SOCIETY**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2017**

**Charity No: 1159780**

# THE LONGHORN CATTLE SOCIETY

## FINANCIAL STATEMENTS 31 AUGUST 2017

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## THE LONGHORN CATTLE SOCIETY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their report with the financial statements of the charity for the year ended 31 August 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### Reference and administration information

Charity name:	The Longhorn Cattle Society
Charity registration number:	1159780
Operational address:	3 East Gate Stoneleigh Park Stoneleigh Kenilworth Warwickshire CV8 2LH

#### Council members / Trustees

P Ashcroft	
D Blockley	resigned 15.10.16
B Facon	appointed 15.10.16
P J Guest	
B M Llewellyn	
D McVeigh	
T Mills	appointed 15.10.16
J W Stanley	
C T D Sutcliffe	resigned 15.10.16
S Wright	appointed 15.10.16
Mrs S Zentis	appointed 15.10.16

#### Secretary

D Dann

#### Bankers

HSBC Bank plc,  
126 The Parade  
Leamington Spa  
Warwickshire  
CV32 4AJ

#### Accountants and Independent Examiners

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

## THE LONGHORN CATTLE SOCIETY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

#### Activities and charitable objects

The objectives for which the Society is established are to encourage, promote and improve the breeding of Longhorn cattle and to maintain their purity. To maintain a Herdbook of Longhorn cattle in furtherance to the above objects but not further or otherwise the Society shall have the following powers:

- i) To promote shows and/or sales of Longhorn Cattle
- ii) To do all things necessary for the attainment of the above objects.

The Society depends on the support of its members for its continuing success.

Major activities this year in order to achieve the above objectives have been:

- to maintain the accuracy of the Herdbook via the recording of registrations, birth notifications, deaths and transfers;
- the attendance at shows and events with the promotional stand and promotional material;
- the organisation of a National Show
- the organisation of sales
- the organisation of instructional member events and visits

#### Public benefit

The Council 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

Herdbook activity for the financial year was 1,484 females registered, 1,189 animals birth notified, 52 males registered and 1,142 transfers. Excluding deaths, a total of 3,876 individual transactions took place in order to maintain an accurate registry.

The Secretary and members had a presence at the NBA Beef Expo 2017 in May at Stoneleigh Park, Stoneleigh. This event helped promote and advertise the breed, raising the profile and assisting in gaining new members.

The Society held its National Show at the Lincolnshire County Show and had a promotional stand at the event. This helped promote the breed to a wide audience.

The Society maintained an active website with links to social media. This promoted the breed to an unlimited domestic and international audience and enabled members to market their herds, animals for sale and Longhorn beef.

#### Financial review

The Society's finances show a surplus on ordinary activities of £3,337 in the year ended 31 August 2017. Unrestricted funds carried forward at 31 August 2017 total £118,529.

#### Reserves policy

The Council has examined the Society's requirements for reserves in the light of the main risks to the organisation. The Society aims to hold financial reserves that cover one year's budgeted expenditure. The Society has budgeted to spend £89,965 in the year to 31 August 2018. At 31 August 2017 the Society held reserves amounting to £118,529.

## THE LONGHORN CATTLE SOCIETY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

#### **Structure, governance and management**

##### **Governing document**

The Society is governed by its constitution. The Society was registered as a charity on 5 January 2015 (No: 1159780).

##### **Recruitment and appointment of Council**

The Longhorn Cattle Society is run by the Society Council. All Council members are also trustees of the Society. Nominations are invited for election to Council and a paper ballot is distributed prior to the AGM to determine their election should sufficient nominations be received. Council members are elected by the membership for a three year term and then retire by rotation. After their second consecutive three year term Council members cannot stand for re-election for one year. The Council elect their own Chairman at the first meeting after the AGM.

Council meetings follow a formal agenda and minutes are taken. There is an Annual General Meeting to which all members are invited. This meeting includes an adoption of the accounts and the presentation of the Chairman's report for the year.

The Council of the Society appoint a secretary/treasurer to carry out the daily administration of the Society and maintain the account records.

##### **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 trustees consider that insurance cover and reserves are adequate to ensure the continued operation of the Association in the event of the occurrence of any unexpected incident.

Approved by order of the board of trustees on 14 October 2017 and signed on its behalf by:

B M Llewellyn MBE  
Chairman of Trustees

## THE LONGHORN CATTLE SOCIETY

### FINANCIAL REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The Longhorn Cattle Society had a year of controlled expenditure, but also invested in the Society's continued improvement. Activity on the herdbook was slightly up with 200 more females being registered in this financial year compared to the previous year.

Herdbook activity for the financial year was 1,484 (1,286 in 2016) females registered, 1,189 (1,004) animals birth notified, 52 (84) males registered and 1,142 (1,769) transfers. Excluding deaths, a total of 3,876 (4,156) individual transactions took place in order to maintain an accurate registry.

As a membership based organisation the Society's main income streams remained subscriptions, registrations and transfers.

Secretarial salary and social security costs were the Society's largest single outgoing. A salary review takes place in July each year.

Printing and office costs were lower in this financial year as there was no Journal produced.

Website expenses increased this year due to one off expenditure for the new blog and enhanced security measures following two major international cyber attacks in 2017. Regular website fees such as licences, support and domain name renewals were slightly higher than previous years.

Legal fees increased this year due to one off expenditure on legal fees to secure 'Longhorn Beef' and a new logo as a trademark and device into the Society's ownership to protect the Longhorn Beef brand.

The Longhorn Cattle Society is a Charity and the Trustees of the Society are entrusted with the role of ensuring the monies held are well managed and that there is a prudent reserve, and then ensure that funds are used to carry out the principal objectives of the Society. It is Council policy to ensure that the routine running costs of the Society are self-funding and that the Society has reserves roughly equivalent to a year's annual expenditure. A budget of £89,965 has been approved by Council.

**INDEPENDENT EXAMINER'S REPORT  
TO THE TRUSTEES OF THE LONGHORN CATTLE SOCIETY**

I report on the accounts of the Society for the year ended 31 August 2017 which are set out on pages 6 to 11.

**Respective responsibilities of trustees and examiners**

The charity's trustees are responsible for the preparation of the accounts. The charity's 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 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

**Basis of independent examiner's statement**

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 section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act

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

**THE LONGHORN CATTLE SOCIETY**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2017**

	<b>2017</b>	<b>2016</b>
	<b>Unrestricted funds</b>	
	£	£
<b>Income from:</b>		
Members subscriptions	19,923	21,876
Gift aid	1,930	2,224
Donations	139	36
Registration fees	43,711	43,525
Transfer fees	9,913	11,080
AI Receipts	3,160	2,145
Society meeting income	2,379	8,145
Handbook and newsletter adverts	308	7,908
Shows and demonstrations	372	125
Sale of merchandise	672	457
Interest received	229	313
Other income	<u>2,192</u>	<u>783</u>
<b>Total income</b>	<b><u>84,928</u></b>	<b><u>98,617</u></b>
<b>Expenditure on:</b>		
Shows and demonstrations	9,662	12,510
Cost of meetings	3,816	10,921
Printing and stationery	6,525	12,372
Cost of merchandise	843	621
AI costs	3,352	3,177
Subscriptions payable	309	279
Secretary's salary and social security costs	38,047	38,483
Secretary's expenses	69	558
Office expenses	9,173	11,805
Website and other computer expenses	3,476	740
Council expenses	202	1,073
Independent examination	1,450	1,400
Legal fees	4,311	192
Depreciation	17	19
Other costs (including bank charges)	<u>339</u>	<u>80</u>
<b>Total expenditure</b>	<b><u>81,591</u></b>	<b><u>94,230</u></b>
<b>Net income</b>	<b>3,337</b>	<b>4,387</b>
Fund balance at 1 September 2016	<u>115,192</u>	<u>110,805</u>
Fund balance at 31 August 2017	<u>118,529</u>	<u>115,192</u>

The notes on pages 8 to 11 form part of these financial statements

**THE LONGHORN CATTLE SOCIETY**  
**BALANCE SHEET AS AT 31 AUGUST 2017**

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		91		108
Investments	6		<u>1,651</u>		<u>1,651</u>
			1,742		1,759
<b>Current assets</b>					
Stock		2,059		1,145	
Debtors	7	10,801		13,559	
Bank balances and cash	8	<u>117,795</u>		<u>115,092</u>	
		130,655		129,796	
<b>Creditors: amounts falling due within one year</b>	9	<u>13,868</u>		<u>16,363</u>	
<b>Net current assets</b>			<u>116,787</u>		<u>113,433</u>
<b>Net assets</b>			<u>118,529</u>		<u>115,192</u>
<b>Reserves</b>					
General fund - Unrestricted	10		<u>118,529</u>		<u>115,192</u>

The financial statements were approved by the Board of Trustees on 14 October 2017 and were signed on its behalf by:

B M Llewellyn MBE  
Chairman of Trustees

The notes on pages 8 to 11 form part of these financial statements.

**THE LONGHORN CATTLE SOCIETY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017****1. Accounting policies****Basis of preparing the financial statements**

The Longhorn Cattle Society is a charitable incorporated organisation (CIO) in England and Wales. The operational address is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are stated on page 2.

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

**Income**

All income is recognised in the Statement of Financial Activities when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources

**Investment**

The investment in the subsidiary is stated at cost.

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is defined for this purpose as the expenditure incurred in the normal course of business. Stock of AI is not included as this is written off when extracted.

**Depreciation**

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

Computer equipment - 25% on cost  
Fixtures and fittings - 15% on reducing balance

**THE LONGHORN CATTLE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017 (continued)**

**1. Accounting policies (continued)**

**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.

**Taxation**

The charity is exempt from tax on its charitable activities.

**Fund accounting**

All the charity's funds are unrestricted.

**2. Trustees' remuneration and benefits**

There were no trustees' remuneration or other benefits for the year ended 31 August 2017 nor for the year ended 31 August 2016.

**Trustees' expenses**

Expenses reimbursed to trustees' during the year amounted to £202 (2016: £1,073).

**3. Independent examiners remuneration**

The independent examiners remuneration amounts to an independent examination fee of £1,450.

**4. Staff costs**

	<b>2017</b>	<b>2016</b>
The average monthly number of employees during the year was as follows:		
Administration	<u>1</u>	<u>1</u>
	£	£
Staff costs were:		
Salaries	36,989	36,592
Social security costs	959	1,891
Pension costs	<u>99</u>	<u>-</u>
	<u>38,047</u>	<u>38,483</u>

No employees received emoluments in excess of £60,000.

**THE LONGHORN CATTLE SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017 (continued)**

**5. Tangible fixed assets**

	<b>Computer Equipment £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 September 2016 and at 31 August 2017	<u>1,341</u>	<u>547</u>	<u>1,888</u>
<b>Depreciation</b>			
At 1 September 2016	1,341	439	1,780
Charge for the year	<u>-</u>	<u>17</u>	<u>17</u>
At 31 August 2017	<u>1,341</u>	<u>456</u>	<u>1,797</u>
<b>Net book value</b>			
At 31 August 2017	<u>-</u>	<u>91</u>	<u>91</u>
At 31 August 2016	<u>-</u>	<u>108</u>	<u>108</u>

**6. Investments**

<b>Shares in subsidiary, at cost</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cost</b>		
At 1 September 2016 and at 31 August 2017	<u>1,651</u>	<u>1,651</u>

The charity owns 100% of the ordinary shares of £1 each in the Longhorn Meat Marketing Company Limited. This subsidiary was used for non-primary purpose trading activities, namely the marketing of longhorn beef and retail of hides. The company is currently dormant.

The latest available accounts are for the year ended 31 August 2017. A summary of the results of the subsidiary for the year ended 31 August 2017 is shown below:

	£
Assets	1,051
Liabilities	<u>-</u>
	<u>1,051</u>
Share capital (A & B shares)	1,651
Profit and loss account	<u>(600)</u>
	<u>1,051</u>

Consolidated accounts are not prepared, as the trustees consider that the results are not material.

**7. Debtors**

	<b>2017 £</b>	<b>2016 £</b>
Trade debtors	9,072	11,774
Prepayments	<u>1,729</u>	<u>1,785</u>
	<u>10,801</u>	<u>13,559</u>

**THE LONGHORN CATTLE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017 (continued)**

**8. Bank balances and cash**

The following balances are included:

COIF Charities Deposit Fund	68,441	68,441
HSBC - Deposit account	6,194	6,191
- Current account	<u>43,160</u>	<u>40,460</u>
	<u>117,795</u>	<u>115,092</u>

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

Trade creditors	1,648	3,587
Value added tax	2,436	2,358
Amount owed to subsidiary	1,051	1,051
Deferred income	7,163	7,847
Accruals	<u>1,570</u>	<u>1,520</u>
	<u>13,868</u>	<u>16,363</u>

**10. Funds**

All funds are unrestricted.

**11. Related party transactions**

The Society owns the shares in the Longhorn Meat Marketing Company Limited which is a commercial company established to promote the marketing and sale of Longhorn beef and hides.

Details regarding the accounts of the Longhorn Meat Marketing Company Limited are stated in note 6.