

Registration number 009393 (Scotland)

The Galloway Cattle Society of Great Britain and Ireland

Council's report and financial statements

for the year ended 31st December 2020

The Galloway Cattle Society Of Great Britain And Ireland

**Company information
as at 31st December 2020**

Council	T.S. McKinnon A.M. Brown D. Maxwell J. Heard P.J. Hunter-Blair J.R. Finlay W. Maclean A. McConchie C.G. Noble J.Smyth A.F. Waugh
Secretary	D Goldie
Company number	009393 (Scotland)
Charity Number	SC008870
Registered office	15 New Market Street Castle Douglas DG7 1HY
Auditors	Carson & Trotter Chartered Accountants and Registered Auditors 123 Irish Street Dumfries DG1 2PE

The Galloway Cattle Society Of Great Britain And Ireland

Financial Statements
For the year ended 31st December 2020

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The Galloway Cattle Society of Great Britain and Ireland

Report of the Council

The Council who are also directors for the purpose of the Companies Act, present their report and the audited financial statements for the year ended 31st December 2020. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and 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).

Objectives and Activities

The principal activity of the Society in the year under review was the promotion of the Galloway Cattle Breed.

Achievements and performance

The Council meets regularly to consider the progress of the charity and the aims of the constitution. They review the state of affairs and ensure members points of view are considered.

Financial Review

The net income/expenditure for the year before gains amounted to a deficit of £3,357 and the net income/expenditure for the year after losses amounted to a deficit of £12,726. (£2,685 deficit before gains and a surplus after gains of £18,194 in 2019). The unrestricted funds carried forward is £222,550.

Reserves Policy

The free reserves of the charity are maintained at a level to cover a minimum of one months annual expenditure. At present the free reserves of the charity exceed this minimum level.

Risk Management

The Council has conducted its own review of the major risks to which the Society is exposed and systems have been established to mitigate these risks.

Plans for future periods

The Council intends to continue to operate the Galloway Cattle Society in the coming year with no major changes. They will do their utmost to grow the charity to the benefit of members and the breed of cattle known as Galloway.

Taxation

Other than having an obligation to pay Corporation Tax on insurance commission receivable, the Society is exempt, as a charity, from any other liability to Corporation Tax.

Structure, Governance and Management

Constitution

The Galloway Cattle Society of Great Britain and Ireland was constituted as a company limited by guarantee and not having a share capital by Memorandum and Articles of Association on 11th May 1915. The liability of the members is limited to £10 each. The members of the Council are appointed in accordance with the terms of the Memorandum and Articles of Association. The Society is a registered charity, registered charity number SC008870.

Recruitment and Appointment

The Society is looking for Trustees who have the right skills and experience to join the Council.

The Galloway Cattle Society of Great Britain and Ireland

Report of the Council

Reference and administrative details

Members of the Council

The members who served during the year are as follows:-

T.S. McKinnon
A.M. Brown
D. Maxwell
J. Heard
P.J. Hunter-Blair
J.R. Finlay
W. Maclean
A. McConchie
C.G. Noble
J. Smyth
A.F. Waugh

Charity Number :- SC008870

Company Number :- SC009393

Registered Office :- 15 New Market Street, Castle Douglas. DG7 1HY

Statement of Council's Responsibilities

The Council who are also directors of The Galloway Cattle Society of Great Britain and Ireland for the purposes of company law are responsible for preparing the Council's Report 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 to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Society and the incoming resources and application of resources, including the net income or expenditure of the Society for that year. In preparing these the Council are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in operation.

The Council are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure of Information to Auditors

We, the directors of the Company who held office at the date of approval of these financial statements, as set out in the printed accounts, each confirm so far as we are aware, that :

- there is no relevant audit information of which the Company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Galloway Cattle Society of Great Britain and Ireland

Report of the Council

Auditors

A resolution to re-appoint as auditors Messrs Carson & Trotter will be put to the Annual General Meeting.

Small Company Exemptions

This report is prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and was approved by the Council on 28th April 2021 and signed on its behalf.

By order of the Council

D Goldie

The Galloway Cattle Society Of Great Britain And Ireland

Independent auditors' report to the trustees and members of The Galloway Cattle Society of Great Britain and Ireland

We have audited the financial statements of The Galloway Cattle Society of Great Britain and Ireland for the year ended 31st December 2020 which comprise the statement of financial activities, the balance sheet, cash flow statement 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) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the society's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Charities Trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the society's trustees and members those matters we are required to state to them in an auditors' 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 charity and the society's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31st December 2020, 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 (applicable to smaller entities); and

- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

- the council members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the council members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

The Galloway Cattle Society Of Great Britain And Ireland

Independent auditors' report to the trustees and members of The Galloway Cattle Society of Great Britain and Ireland

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of council 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 council members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the council' responsibilities statement set out on page 4 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Galloway Cattle Society Of Great Britain And Ireland

Independent auditors' report to the trustees and members of The Galloway Cattle Society of Great Britain and Ireland

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Linda Brannock, BA CA, Senior Statutory Auditor
for and on behalf of Carson & Trotter, Chartered Accountants,
Statutory Auditors**

**123 Irish Street
Dumfries
DG1 2PE
6th May 2021**

(Carson & Trotter Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006)

The Galloway Cattle Society Of Great Britain And Ireland

Statement of Financial Activities
(Including Income and Expenditure Account)
for the year ended 31st December 2020

		Unrestricted Funds 2020	2019
	Notes	£	£
Income and endowments from:			
Investments	2	4,235	6,611
Charitable activities	3	40,356	39,564
Total Income and endowments		44,591	46,175
Expenditure on:			
Charitable activities	4	47,948	48,860
Total Expenditure		47,948	48,860
Net expenditure for the year before gains		(3,357)	(2,685)
Gains/(Losses) on investments	8	(9,369)	20,879
Net income/(expenditure) for the year	6	(12,726)	18,194
Reconciliation of Funds:			
Total funds brought forward		235,276	217,082
Total funds carried forward		222,550	235,276

The notes on pages 9 to 14 form an integral part of these financial statements.

The Galloway Cattle Society Of Great Britain And Ireland

Company Number SC009393

Balance Sheet

as at 31st December 2020

	Notes	2020		2019	
		£	£	£	£
Fixed Assets					
Tangible assets	7		4,168		4,475
Investments	8		173,546		194,578
			<u>177,714</u>		<u>199,053</u>
Current Assets					
Stocks		225		286	
Debtors	9	11,500		24,798	
Cash at bank and in hand		37,842		27,216	
		<u>49,567</u>		<u>52,300</u>	
Creditors: amounts falling due within one year	10	<u>(4,731)</u>		<u>(16,077)</u>	
Net Current assets			<u>44,836</u>		<u>36,223</u>
Total Assets Less Current Liabilities			<u>222,550</u>		<u>235,276</u>
The funds of the charity					
Unrestricted fund	12		<u>222,550</u>		<u>235,276</u>
Total charity funds			<u>222,550</u>		<u>235,276</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Council on 28th April 2021 and signed on its behalf by

D. Maxwell
Chairman

The notes on pages 9 to 14 form an integral part of these financial statements.

The Galloway Cattle Society of Great Britain and Ireland

Notes to the financial statements for the year ended 31st December 2020

1. **Summary of significant accounting policies**

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.

General information and basis of preparation

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value and 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 Ireland (FRS 102)(effective 1 January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS102.

Coronavirus and going concern

At the balance sheet date, the Society had a strong net current asset position and the continuing support of its directors. At the time of signing these accounts, the directors have considered the effect of the Coronavirus on the going concern position, and consider that this does indicate that the Society will continue to trade for a period of at least 12 months from the date of signing these accounts due to the resources available to it and the UK Government support available to businesses during this difficult time.

On that basis, the financial statements are prepared on a going concern basis under 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.

(a) Charitable Status

The Society is a registered charity, registered charity number SC008870, and accordingly no liability to Corporation Tax arises on these accounts.

(b) Fund Accounting

The Unrestricted Fund is expendable at the discretion of the Council Members in furtherance of the objects of the Society.

(c) Income Recognition

All income is included in the Statement of Financial Activities when the Society is legally entitled to the income, probability of receipt and the amount can be measured with sufficient reliability. Investment income is accounted for in the period in which the Society is entitled to receipt.

(d) Expenditure Recognition

Expenditure is included 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 settlement will be required and the amount can be measured with sufficient reliability.

The Galloway Cattle Society of Great Britain and Ireland

Notes to the financial statements
for the year ended 31st December 2020

(e) Depreciation of tangible fixed assets

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

Heritable property	2% straight line
Office furniture and fittings	15% reducing balance
Computer equipment	25% reducing balance

(f) Stocks

Stocks are stated at the lower of cost and net realisable value.

(g) Leases

Rentals under operating and finance leases and which are relatively immaterial in their impact, are charged to income and expenditure account as incurred over the term of the lease. Leasing commitments are as shown in Note 13.

(h) Investments

Investments held as fixed assets are included at fair value at the Balance Sheet date and the gain or loss taken to the Statement of Financial Activities.

2. Investments

	2020	2019
	£	£
Listed	4,215	6,583
Interest on short term deposits	20	28
	<u>4,235</u>	<u>6,611</u>

All income from investments in 2020 and 2019 was unrestricted.

3. Income from Charitable Activities

	2020	2019
	£	£
Registration fees and entry schedules	20,677	20,352
Subscriptions received	6,536	6,538
Commission on sales	1,462	1,158
Levy on sales	5,744	4,406
Transfer certificates	766	1,687
Sundry income	530	330
Sale of Herd Books	420	330
Sale of History Books	48	-
Income from advertisements	4,173	4,763
	<u>40,356</u>	<u>39,564</u>

All income from charitable activities in 2020 and 2019 was unrestricted.

The Galloway Cattle Society of Great Britain and Ireland

Notes to the financial statements
for the year ended 31st December 2020

4. Analysis of expenditure on charitable activities

The expenditure for the year is attributable to one activity, namely the promotion of the Galloway Cattle Breed. An analysis of expenditure is given below:

	2020	2019
	£	£
Direct Costs	34,704	32,380
Support and Governance Costs	13,244	16,480
	47,948	48,860
	47,948	48,860

Direct Costs	2020	2019
	£	£
Cost of printing Journal	4,335	4,300
Cost of History Books sold	34	-
Show grants and prizes	610	1,440
Stands at shows	-	2,049
Computer costs	360	295
Publicity and advertising	3,312	6,020
Galloway Beef Leader Project Costs (Net of grant)	15,737	7,915
Subscription to National Beef Association	86	92
Subscriptions and magazines	52	51
Office wages and salaries	1,031	1,776
Rent, rates and insurance	406	426
Heating, lighting and cleaning	630	433
Repairs and renewals	51	234
Postages	2,795	2,440
Printing and stationery	433	936
Web site costs	1,286	934
Telephone	702	658
Hire of office equipment	345	1,240
Travelling expenses	-	991
Legal and professional	-	150
Bad debts	2,499	-
Total Direct Costs	34,704	32,380
	34,704	32,380

Support and Governance Costs	2020	2019
	£	£
Secretarial services	10,556	13,650
Auditors remuneration	1,720	1,795
Sundry expenses	661	712
Depreciation	307	323
Total Support and Governance Costs	13,244	16,480
	13,244	16,480

All expenditure on charitable activities in 2020 and 2019 was unrestricted.

The Galloway Cattle Society of Great Britain and Ireland

Notes to the financial statements
for the year ended 31st December 2020

5. Employees

The Society has no employees.

Mrs D Goldie, who acts as Secretary for the Society is self employed.

The council members are considered to be the key management personnel.

6. Net income/(expenditure) for the year

	2020	2019
	£	£
Net income/expenditure is stated after charging:		
Depreciation	307	323
Auditors remuneration	1,720	1,795
	<u> </u>	<u> </u>

7. Tangible fixed assets

	Heritable Property	Office Furniture and Fittings	Computer Equipment	Total
	£	£	£	£
Cost				
At 1st January 2020	12,443	5,145	2,375	19,963
At 31st December 2020	<u>12,443</u>	<u>5,145</u>	<u>2,375</u>	<u>19,963</u>
Depreciation				
At 1st January 2020	8,250	5,013	2,225	15,488
Charge for the year	250	20	37	307
At 31st December 2020	<u>8,500</u>	<u>5,033</u>	<u>2,262</u>	<u>15,795</u>
Net book values				
At 31st December 2020	<u>3,943</u>	<u>112</u>	<u>113</u>	<u>4,168</u>
At 31st December 2019	<u>4,193</u>	<u>132</u>	<u>150</u>	<u>4,475</u>

The Galloway Cattle Society of Great Britain and Ireland

Notes to the financial statements
for the year ended 31st December 2020

8. Investments

	2020	2019
	£	£
Market value at 1st January 2020	194,578	182,078
Sale proceeds	(21,709)	(18,230)
Cost of new acquisitions	10,046	9,851
Gain/(Loss) on revaluation and disposal	(9,369)	20,879
Market value at 31st December 2020	<u>173,546</u>	<u>194,578</u>
Investments at market value comprised:		
UK Equities	162,397	183,733
UK Fixed Interest Securities	11,149	10,845
	<u>173,546</u>	<u>194,578</u>
Historical cost as at 31st December 2020	<u>131,318</u>	<u>137,133</u>

9. Debtors: all receivable within one year

	2020	2019
	£	£
Trade debtors	11,292	24,703
Prepayments	208	95
	<u>11,500</u>	<u>24,798</u>

10. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank overdraft	823	9,582
Receipts in Advance	165	1,111
Trade creditors	159	1,060
Other taxes and social security costs	1,834	2,574
Accruals	1,750	1,750
	<u>4,731</u>	<u>16,077</u>

11. Share capital

The Society has no Share Capital as it is a Company Limited by Guarantee. The Society is under the control of council of members.

The Galloway Cattle Society of Great Britain and Ireland

Notes to the financial statements
for the year ended 31st December 2020

12. Unrestricted Fund

	Balance at 1st January 2020	Income	Expenditure	Gain/ (Loss)	Balance at 31st December 2020
General Fund	<u>235,276</u>	<u>44,591</u>	<u>(47,948)</u>	<u>(9,369)</u>	<u>222,550</u>

13. Leases

Total future minimum lease payments under non-cancellable operating leases are as follows :

	2020	2019
	£	£
Within one year	295	295
Between one and five years	589	884
	<u>884</u>	<u>1,179</u>

14. Related party transactions

Council members received no remuneration (2019 - £nil) and received no reimbursement of expenditure during the year.

15. Analysis of net assets between funds

	Tangible fixed assets and investments	Other net assets/ (liabilities)	Total
	£	£	£
Unrestricted funds	<u>177,714</u>	<u>44,836</u>	<u>222,550</u>