

COMPANY REGISTRATION NUMBER: 03678612
CHARITY REGISTRATION NUMBER: 1115366

National Beef Association
Company Limited by Guarantee
Unaudited financial statements
31 December 2016

National Beef Association
Company limited by guarantee
Financial statements
Year Ended 31 December 2016

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National Beef Association

Company limited by guarantee

Trustees' annual report (incorporating the director's report)

Year Ended 31 December 2016

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 December 2016.

Reference and administrative details

Registered charity name National Beef Association

Charity registration number 1115366

Company registration number 03678612

Principal office and registered office The Mart Centre
Tyne Green
Hexham
NE46 3SG
Northumberland

The trustees

Mr S Heenan
Mr S Henderson
Mr S P Marsh
Mrs C Poultney
Mr D J Thomlinson
Mr J Vanstone
Mr W Walton
Mr W P Harper (Appointed 25 May 2016)
Mr J Hoskin (Retired 13 September 2016)
Mr C F Maclaren (Retired 2 August 2016)

Company secretary Mrs H Dobson

Banks Lloyds Bank
48 Belle Vue Terrace
Malvern
Worcestershire
WR14 4QG

Solicitors Messrs Harold Michelmores & Co
Market Street
Newton Abbot
Devon
TQ12 2RN

Accountants McCowie & Co
Accountants
2 Gosforth Park Avenue
Newcastle Upon Tyne
NE12 8EG

National Beef Association

Company limited by guarantee

Trustees' annual report (incorporating the director's report) *(continued)*

Year Ended 31 December 2016

Structure, governance and management

Company and charitable status

The Charity is a company limited by guarantee. The members of the National Beef Association have no shareholders but in the event of a winding up each has undertaken to contribute to the payment of liabilities such an amount as may be required not exceeding a total of £1.

Internal control

The activities of the charitable company are controlled by the Board of Trustees who hold meetings at least four times a year, in addition to the annual general meeting. These meetings are also attended by Mrs H Dobson, Company Secretary and Mr C Mallon as the National Director.

There are regional Councils to coordinate and report on the affairs of the regional areas and specialist sub-committees to consider, support and recommend matters to the Board and management.

The Board of Trustees has delegated the control of the day to day activities of the charity to the Chairman, the National Director, Mr C Mallon and the Company Secretary, Mrs H Dobson.

The Board

During the year Mr J Hoskin and Mr C F Maclaren retired as Trustees of the Association.

The remaining trustees approved further board appointments during the year, and Mr W P Harper was appointed.

The Board thanks the outgoing trustees for their services.

Objectives and activities

The principal objectives of the Association are:

- preserve and improve for the benefit of the public the general standards of cattle, especially beef cattle, in the United Kingdom and elsewhere, by promoting and encouraging breeding of beef cattle.
- improve general standards in the management, transport, slaughter and treatment of cattle, especially beef cattle, and otherwise improve the quality and safety of beef, by the education of farmers and farm managers, veterinarians, auctioneers, hauliers, the managers of abattoirs, processors and retailers of food and the general public.
- promote agriculture and work for the protection of the environment by encouraging, where appropriate, the grazing of cattle.
- carry out such other charitable purposes including the relief in cases of need or hardship of beef farmers and their employees and the dependants of beef farmers and their employees, as the board of management think fit.
- improve the health and welfare of beef cattle.
- improve transparency in the food chain.

Public benefit

The Trustees confirm that they have referred to the directions contained in the Charity Commission's general guidance on public benefit when reviewing the Association's aims and objectives and in the planning of future activities to achieve the Trust's objectives to preserve and improve for the benefit of the public the general standards of cattle, especially beef cattle, in the United Kingdom and elsewhere, by promoting, improving and encouraging the breeding, health, transport and slaughter of beef cattle.

National Beef Association

Company limited by guarantee

Trustees' annual report (incorporating the director's report) *(continued)*

Year Ended 31 December 2016

Achievements and performance

Review of 2016

The Association ran several successful knowledge transfer events during 2016, Beef Expo held at Bakewell in Derbyshire was the Association's main event, also held was Beef South West in Exeter, with several smaller seminar format events held in the regions in partnership with other organisations. The Association remains fully engaged with Government at Westminster and all the devolved administrations, the SBA has continued to lead the discussions successfully with the Scottish Executive.

Cattle health and welfare has remained high on the agenda in all UK regions with initiatives being launched covering all regions. Bovine TB continues to grow as a problem for the UK beef industry and has therefore been a priority for the NBA. The TB Committee leads NBA policy for the management of the TB reservoir in wildlife, appropriate control measures and consultation on movement regulations. The NBA has been involved in risk based trading discussions, changes to testing regimes and continues to push for countrywide yearly TB testing of all cattle herds. Alongside TB, the Association has prioritised BVD and as such we are working towards BVD Free England to bring England in line with Scotland and Northern Ireland with BVD control, the NBA are board members of BVD Free Ltd.

Association staff and members have been engaged in discussions with Governments and other parties on many topics, including meat hygiene, food security, beef labelling, giving appropriate shelf space to UK products, forward contracts for cattle, TB policy, etc. Research projects and strategies have been discussed with research organisations and those funding research projects; it remains a critical topic as cattle keepers strive for greater efficiency in order to maintain a viable business.

The decision to leave the EU has added to the work of the NBA as we represent the beef industry to Government, we have been involved in providing evidence to committees in both the Commons and House of Lords.

The NBA believe the way forward is for an Ombudsman to be created to ensure the relationship between the primary producer, processor and retailer is one of fairness and transparency.

The Association has continued to provide a facility for breeding cattle to be transported across the English Channel in a healthy environment with high standards of animal welfare. Animal nutrition is important in animal welfare, economic production and carbon gas emissions. Cattle health has also been an important topic in meetings and journals with considerable emphasis on Bovine Viral Diarrhoea, Johne's Disease and Liver Fluke. The problem of liver fluke has been exacerbated by the poor spring and summers experienced recently and the Association has worked with Merial in disseminating advice and information.

Members have been sent a weekly newsletter by e-mail keeping them abreast of market trends in UK and across the world. The newsletter also covers rule changes for animal keepers, disease and nutrition news and other subjects of relevance to cattle. Via the Newsletter the Association has been able to keep cattle owners informed on the moving cattle price enabling them to better sustain their cattle business. The Newsletter has been sponsored by Merial throughout 2016.

The Association in 2016 started to publish its own magazine the "National Beef Association Magazine", a quarterly publication containing industry insights, technical information and NBA updates.

National Beef Association

Company limited by guarantee

Trustees' annual report (incorporating the director's report) *(continued)*

Year Ended 31 December 2016

Financial review

Financial review of the year

The association has a deficit for the year of £9,686 (2015 £41,751 Surplus).

The National Beef Expo did not return a profit for the association due to the high venue costs.

The Association's main sources of income for 2016 were membership subscriptions £144,301 (2015 £144,971) and corporate gift aid income from National Beef Services Ltd of £42,694 (2015 £46,030).

The Association a net asset worth and reserves of £233,708 at 31 December 2016 (2015 £191,587).

Reserves

The Board of Trustees' aim is to maintain enough in the Association's reserves to provide against a sudden and unpredicted fall in future income.

The deficit for the year has decreased our reserves at 31 December 2016 to £224,022 which is represented by bank funds available. The Trustees long term objective is to maintain the Association's reserves at a level in the future which would cover staff and other basic operational costs for twelve months in the case of a severe disease outbreak or other event interrupting either our membership income or the Association's other income generating activities. The level of reserves have not reduced by a significant amount at 31 December 2016.

Plans for future periods

The National Beef Association will continue its charitable objectives of the promotion of beef quality standards and cattle treatment within the United Kingdom. Its key future objectives are to maintain beef cattle production in good health and with cattle welfare conditions which are sustainable and environmentally friendly.

For 2017 we are planning to host a Beef Expo event at Stoneleigh Park in Warwickshire and the SBA are to hold their biannual event in the Scottish Borders. The NBA will be holding 20 on farm member meetings throughout 2017, topics to be covered include BVD eradication, nutrition, Brexit and meat quality.

During 2017 representing our members during Brexit negotiations will be a priority, discussions will centre around maintaining welfare standards, export opportunities, standards of imports and farm support. The NBA will continue to be working with DEFRA to ensure effective TB eradication, appropriate national disease control strategies, moving towards EID and improvements in cattle databases. The NBA will continue to arrange the transport via P and O for breeding cattle between the UK and Europe.

Employee involvement

The Association has a small number of staff and our achievements are in no small measure due to their skills, forbearance and dedication. We are extremely grateful to them for their input. The Association is also very fortunate to receive input from trustees, sub-committees and regional organisers, all of which is given freely on a voluntary basis. We could not achieve our charitable purposes without their skill and time. Thank you to everyone.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

National Beef Association

Company limited by guarantee

Trustees' annual report (incorporating the director's report) *(continued)*

Year Ended 31 December 2016

The trustees' annual report was approved on 12 September 2017 and signed on behalf of the board of trustees by:

Mr D J Thomlinson
Trustee

Mrs H Dobson
Charity Secretary

National Beef Association

Company limited by guarantee

Independent examiner's report to the trustees of National Beef Association

Year Ended 31 December 2016

I report on the financial statements for the year ended 31 December 2016, which comprise the statement of financial activities (including income and expenditure account), statement of financial position and the related notes.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. 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 needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales (ICAEW).

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;
- 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 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 next statement.

National Beef Association
Company limited by guarantee

Independent examiner's report to the trustees of National Beef Association
(continued)

Year Ended 31 December 2016

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."

Mr G McCowie (FCA)

McCOWIE & CO
Accountants

2 Gosforth Park Avenue
Newcastle Upon Tyne
NE12 8EG

12 September 2017

National Beef Association
Company limited by guarantee
Statement of financial activities
(including income and expenditure account)

31 December 2016

| | | 2016 | | 2015 |
|---|-------|-----------------------|----------------|----------------|
| | | Unrestricted funds | Total funds | Total funds |
| | Note | £ | £ | £ |
| Income and endowments | | | | |
| Donations and legacies | 5 | 192,995 | 192,995 | 194,001 |
| Charitable activities | 6 | 1,066 | 1,066 | 7,289 |
| Other trading activities | 7 | 163,188 | 163,188 | 200,181 |
| Investment income | 8 | 722 | 722 | 793 |
| Total income | | <u>357,971</u> | <u>357,971</u> | <u>402,264</u> |
| Expenditure | | | | |
| Expenditure on raising funds: | | | | |
| Costs of raising donations and legacies | 9 | 983 | 983 | 1,668 |
| Costs of other trading activities | 10 | 178,784 | 178,784 | 170,251 |
| Expenditure on charitable activities | 11,12 | 187,890 | 187,890 | 188,594 |
| Total expenditure | | <u>367,657</u> | <u>367,657</u> | <u>360,513</u> |
| Net (expenditure)/income and net movement in funds | | <u>(9,686)</u> | <u>(9,686)</u> | <u>41,751</u> |
| Reconciliation of funds | | | | |
| Total funds brought forward | | <u>233,708</u> | <u>233,708</u> | <u>191,957</u> |
| Total funds carried forward | | <u>224,022</u> | <u>224,022</u> | <u>233,708</u> |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 10 to 21 form part of these financial statements.

National Beef Association
Company limited by guarantee
Statement of financial position
31 December 2016

| | | 2016 | | 2015 |
|---|----|----------------|----------------|----------------|
| | | £ | £ | £ |
| Fixed assets | | | | |
| Tangible fixed assets | 19 | | 8 | 20 |
| Investments | 20 | | 1 | 1 |
| | | | <u>9</u> | <u>21</u> |
| Current assets | | | | |
| Debtors | 21 | 74,166 | | 69,247 |
| Cash at bank and in hand | | 203,893 | | 230,720 |
| | | <u>278,059</u> | | <u>299,967</u> |
| Creditors: amounts falling due within one year | 22 | 54,046 | | 66,280 |
| Net current assets | | | <u>224,013</u> | <u>233,687</u> |
| Total assets less current liabilities | | | <u>224,022</u> | <u>233,708</u> |
| Net assets | | | <u>224,022</u> | <u>233,708</u> |
| Funds of the charity | | | | |
| Unrestricted funds | | | <u>224,022</u> | <u>233,708</u> |
| Total charity funds | 24 | | <u>224,022</u> | <u>233,708</u> |

For the year ending 31 December 2016 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

- The members have not required the charity to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 12 September 2017, and are signed on behalf of the board by:

Mr D J Thomlinson
Trustee

The notes on pages 10 to 21 form part of these financial statements.

National Beef Association
Company limited by guarantee
Notes to the financial statements
Year Ended 31 December 2016

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Mart Centre, Tyne Green, Hexham, NE46 3SG, Northumberland.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

Going concern

There are no material uncertainties about the charity's ability to continue.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 28.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of (enter name of group financial statements) which can be obtained from (enter detail). As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: (a) No cash flow statement has been presented for the company.
(b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

National Beef Association
Company limited by guarantee
Notes to the financial statements *(continued)*
Year Ended 31 December 2016

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

National Beef Association
Company limited by guarantee
Notes to the financial statements *(continued)*
Year Ended 31 December 2016

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 33% straight line

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

National Beef Association
Company limited by guarantee
Notes to the financial statements *(continued)*
Year Ended 31 December 2016

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

National Beef Association
Company limited by guarantee
Notes to the financial statements *(continued)*
Year Ended 31 December 2016

3. Accounting policies *(continued)*

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of six months or less from the date of acquisition or opening of the deposit or similar account.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

National Beef Association is a company limited by guarantee and accordingly does not have a share capital. Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

5. Donations and legacies

| | Unrestricted Funds £ | Total Funds 2016 £ | Unrestricted Funds £ | Total Funds 2015 £ |
|-------------------------------------|----------------------------|-----------------------------------|----------------------------|--------------------------|
| Donations | | | | |
| Donations under corporate gift aid | 42,694 | 42,694 | 46,030 | 46,030 |
| Sponsorship | | | | |
| Sponsorship | 6,000 | 6,000 | 3,000 | 3,000 |
| Other donations and legacies | | | | |
| Membership subscriptions | 127,309 | 127,309 | 130,080 | 130,080 |
| Corporate subscriptions | 8,326 | 8,326 | 7,424 | 7,424 |
| Breed Society subscriptions | 8,666 | 8,666 | 7,467 | 7,467 |
| | <u>192,995</u> | <u>192,995</u> | <u>194,001</u> | <u>194,001</u> |

National Beef Association
Company limited by guarantee
Notes to the financial statements (continued)
Year Ended 31 December 2016

6. Charitable activities

| | Unrestricted Funds | Total Funds 2016 | Unrestricted Funds | Total Funds 2015 |
|-----------------------|-----------------------|---------------------|-----------------------|---------------------|
| | £ | £ | £ | £ |
| Cattle warranty sales | 1,066 | 1,066 | 7,289 | 7,289 |

7. Other trading activities

| | Unrestricted Funds | Total Funds 2016 | Unrestricted Funds | Total Funds 2015 |
|-------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | £ | £ | £ | £ |
| Event income - Beef Expo | 117,874 | 117,874 | 146,982 | 146,982 |
| Event income - Beef SW Events | 45,314 | 45,314 | 53,199 | 53,199 |
| | <u>163,188</u> | <u>163,188</u> | <u>200,181</u> | <u>200,181</u> |

8. Investment income

| | Unrestricted Funds | Total Funds 2016 | Unrestricted Funds | Total Funds 2015 |
|--------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | £ | £ | £ | £ |
| Bank interest receivable | 722 | 722 | 793 | 793 |

9. Costs of raising donations and legacies

| | Unrestricted Funds | Total Funds 2016 | Unrestricted Funds | Total Funds 2015 |
|--|-----------------------|---------------------|-----------------------|---------------------|
| | £ | £ | £ | £ |
| Memberships - Newsletter/Leaflet costs | 983 | 983 | 1,668 | 1,668 |

10. Costs of other trading activities

| | Unrestricted Funds | Total Funds 2016 | Unrestricted Funds | Total Funds 2015 |
|--------------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | £ | £ | £ | £ |
| Event costs - Beef Expo | 131,943 | 131,943 | 120,020 | 120,020 |
| Event costs - Beef South West events | 46,841 | 46,841 | 43,091 | 43,091 |
| Event costs - Scottish region | - | - | 1,626 | 1,626 |
| Other event costs | - | - | 5,514 | 5,514 |
| | <u>178,784</u> | <u>178,784</u> | <u>170,251</u> | <u>170,251</u> |

National Beef Association
Company limited by guarantee
Notes to the financial statements (continued)
Year Ended 31 December 2016

11. Expenditure on charitable activities by fund type

| | Unrestricted Funds £ | Total Funds 2016 £ | Unrestricted Funds £ | Total Funds 2015 £ |
|---------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Beef services | 80,780 | 80,780 | 78,952 | 78,952 |
| Support costs | 107,110 | 107,110 | 109,642 | 109,642 |
| | <u>187,890</u> | <u>187,890</u> | <u>188,594</u> | <u>188,594</u> |

12. Expenditure on charitable activities by activity type

| | Activities undertaken directly £ | Support costs £ | Total funds 2016 £ | Total fund 2015 £ |
|------------------|---|-----------------------|--------------------------|-------------------------|
| Beef services | 80,780 | 95,991 | 176,771 | 177,974 |
| Governance costs | — | 11,119 | 11,119 | 10,620 |
| | <u>80,780</u> | <u>107,110</u> | <u>187,890</u> | <u>188,594</u> |

13. Analysis of support costs

| | Beef services £ | Total 2016 £ | Total 2015 £ |
|-----------------------------------|--------------------|-----------------|-----------------|
| Staff costs | 55,141 | 55,141 | 56,370 |
| Premises | 3,903 | 3,903 | 3,801 |
| Communications and IT | 12,561 | 12,561 | 13,380 |
| General office | 15,725 | 15,725 | 10,220 |
| Governance costs | 11,119 | 11,119 | 10,620 |
| Insurance | 946 | 946 | 910 |
| Motor & Travel | 957 | 957 | 1,246 |
| Depreciation | 12 | 12 | 2,791 |
| Bad debt | 1,828 | 1,828 | — |
| Secretarial fees | — | — | 4,558 |
| General expenses | 1,919 | 1,919 | 2,841 |
| Bank charges | 2,712 | 2,712 | 2,640 |
| Light & Heat | 287 | 287 | 265 |
| | <u>107,110</u> | <u>107,110</u> | <u>109,642</u> |
| Governance costs include | | | |
| Accountancy fees | 7,275 | 7,275 | 5,300 |
| Audit fees | — | — | 2,200 |
| Legal and other professional fees | — | — | 239 |
| Meeting costs | 3,844 | 3,844 | 2,881 |
| | <u>11,119</u> | <u>11,119</u> | <u>10,620</u> |

National Beef Association
Company limited by guarantee
Notes to the financial statements *(continued)*
Year Ended 31 December 2016

14. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

| | 2016 | 2015 |
|---------------------------------------|-------------------|-------------------|
| | £ | £ |
| Depreciation of tangible fixed assets | 12 | 2,791 |
| | <u> </u> | <u> </u> |

15. Auditors remuneration

| | 2016 | 2015 |
|--|-------------------|-------------------|
| | £ | £ |
| Fees payable for the audit of the financial statements | – | 2,200 |
| | <u> </u> | <u> </u> |

16. Independent examination fees

| | 2016 | 2015 |
|--|-------------------|-------------------|
| | £ | £ |
| Fees payable to the independent examiner for: Independent examination of the financial statements | 2,200 | – |
| | <u> </u> | <u> </u> |

17. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

| | 2016 | 2015 |
|---|----------------|----------------|
| | £ | £ |
| Wages and salaries | 93,970 | 97,233 |
| Social security costs | 6,612 | 6,078 |
| Employer contributions to pension plans | 1,300 | 1,300 |
| | <u>101,882</u> | <u>104,611</u> |

The average head count of employees during the year was 14 (2015: 14). The average number of full-time equivalent employees during the year is analysed as follows:

| | 2016 | 2015 |
|----------------------|-------------------|-------------------|
| | No. | No. |
| Charitable staff | 12 | 12 |
| Administrative staff | 2 | 2 |
| | <u> </u> | <u> </u> |
| | 14 | 14 |

No employee received employee benefits of more than £60,000 during the year (2015: Nil).

18. Trustee remuneration and expenses

There were no emoluments paid to the trustees during the year (2015 - Nil). The trustees' charity expenses during the year totalled £3,268 (2015 - £3,422).

National Beef Association
Company limited by guarantee
Notes to the financial statements *(continued)*
Year Ended 31 December 2016

19. Tangible fixed assets

| | Fixtures and fittings £ | Total £ |
|----------------------------|----------------------------|---------------|
| Cost | | |
| At 1 January 2016 | 35,291 | 35,291 |
| Disposals | (3,390) | (3,390) |
| At 31 December 2016 | <u>31,901</u> | <u>31,901</u> |
| Depreciation | | |
| At 1 January 2016 | 35,271 | 35,271 |
| Charge for the year | 12 | 12 |
| Disposals | (3,390) | (3,390) |
| At 31 December 2016 | <u>31,893</u> | <u>31,893</u> |
| Carrying amount | | |
| At 31 December 2016 | <u>8</u> | <u>8</u> |
| At 31 December 2015 | <u>20</u> | <u>20</u> |

20. Investments

| | Shares in group undertakings £ |
|---|--------------------------------------|
| Cost or valuation | |
| At 1 January 2016 and 31 December 2016 | <u>1</u> |
| Impairment | |
| At 1 January 2016 and 31 December 2016 | <u>–</u> |
| Carrying amount | |
| At 31 December 2016 | <u>1</u> |
| At 31 December 2015 | <u>1</u> |

All investments shown above are held at valuation.

National Beef Association
Company limited by guarantee
Notes to the financial statements *(continued)*
Year Ended 31 December 2016

20. Investments *(continued)*

National Beef Services Limited is a wholly owned subsidiary of the National Beef association and commenced trading in the 2011 financial year. The directors have approved the donation of the company's annual profits each year to the National Beef Association under the corporate gift aid scheme.

National Beef Association controls a further subsidiary company, Scottish Beef Association Limited, which was dormant in the period up to 31 December 2016.

This company is limited by guarantee and as such has no share capital.

This company has been dormant since incorporation and has no profit or reserves at 31 December 2016.

National Beef Association is the sole member of this company and hence has 100 per cent control of this 'limited by guarantee' subsidiary.

The objects of this company is to preserve and improve the general standards of beef cattle in Scotland by the promotion and improvement of beef cattle breeding and other cattle management practices.

21. Debtors

| | 2016 | 2015 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 16,884 | 12,182 |
| Other debtors | 14,588 | 11,035 |
| Corporate donation debtor | 42,694 | 46,030 |
| | <u>74,166</u> | <u>69,247</u> |

22. Creditors: amounts falling due within one year

| | 2016 | 2015 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 5,474 | 12,047 |
| Amounts owed to group undertakings | 22,961 | 33,246 |
| Accruals and deferred income | 23,017 | 19,975 |
| Social security and other taxes | 2,593 | 57 |
| Other creditors | 1 | 955 |
| | <u>54,046</u> | <u>66,280</u> |

23. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,300 (2015: £1,300).

National Beef Association
Company limited by guarantee
Notes to the financial statements *(continued)*
Year Ended 31 December 2016

24. Analysis of charitable funds

Unrestricted funds

| | At 1 January 2016 | Income | Expenditure | At 31 December 2016 |
|---------------|-------------------------|---------|-------------|---------------------------|
| | £ | £ | £ | £ |
| General funds | 233,708 | 357,971 | (367,657) | 224,022 |

25. Analysis of net assets between funds

| | Unrestricted Funds | Total Funds 2016 |
|----------------------------|-----------------------|---------------------|
| | £ | £ |
| Tangible fixed assets | 8 | 8 |
| Investments | 1 | 1 |
| Current assets | 278,059 | 278,059 |
| Creditors less than 1 year | (54,046) | (54,046) |
| Net assets | <u>224,022</u> | <u>224,022</u> |

26. Contingencies

There were no contingent liabilities as at 31 December 2016 (2015 £Nil).

27. Related parties

During the year, the charitable company entered into transactions with the following company which is a wholly owned subsidiary of the National Beef Association:-
National Beef Services Limited.

Corporate Gift Aid donation receivable £42,694 (2015 £46,030).

At 31 December 2016 the balance owed by the subsidiary company amounted to £42,694 (2015 £46,030).

During the year, the Association entered into transactions with the following companies with connections to the trustees:

Harrison & Hetherington (Mr DJ Thomlinson trustee is an employee).

-Corporate membership and other income received £200 (2015 £1,525).

Trustee's guarantees:

The interests of the trustees and directors in the guarantees of the company are that in the event of a winding up each trustee member has undertaken to contribute to the payment of liabilities such an amount as may be required not exceeding a total of £1.

Other trustee transactions:

Membership subscriptions and other income received from the trustees in the year amounted to £600 (2015 £2,024).

Trustees expenses in the year amounted to £3,268 (2015 £3,422).

National Beef Association
Company limited by guarantee
Notes to the financial statements *(continued)*
Year Ended 31 December 2016

28. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in the retained funds or income or expenditure for the year.

National Beef Association
Company limited by guarantee
Management information
Year Ended 31 December 2016

The following pages do not form part of the financial statements.

National Beef Association
Company limited by guarantee
Detailed statement of financial activities
31 December 2016

| | 2016 £ | 2015 £ |
|-------------------------------------|-----------------------|-----------------------|
| Income and endowments | | |
| Donations and legacies | | |
| Donations under corporate gift aid | 42,694 | 46,030 |
| Sponsorship | 6,000 | 3,000 |
| Membership subscriptions | 127,309 | 130,080 |
| Corporate subscriptions | 8,326 | 7,424 |
| Breed Society subscriptions | 8,666 | 7,467 |
| | <u>192,995</u> | <u>194,001</u> |
| Charitable activities | | |
| Cattle warranty sales | 1,066 | 7,289 |
| Other trading activities | | |
| Event income - Beef Expo | 117,874 | 146,982 |
| Event income - Beef SW Events | 45,314 | 53,199 |
| | <u>163,188</u> | <u>200,181</u> |
| Investment income | | |
| Bank interest receivable | 722 | 793 |
| Total income | <u><u>357,971</u></u> | <u><u>402,264</u></u> |

National Beef Association
Company limited by guarantee

Notes to the detailed statement of financial activities *(continued)*

31 December 2016

| | 2016 £ | 2015 £ |
|--|-------------------|-------------------|
| Expenditure | | |
| Costs of raising donations and legacies | | |
| Memberships - Newsletter/leaflet cost | 983 | 1,668 |
| | <u> </u> | <u> </u> |
| Costs of other trading activities | | |
| Event costs - Beef Expo | 131,943 | 120,020 |
| Event costs - Beef South West events | 46,841 | 43,091 |
| Event costs - Scottish region | – | 1,626 |
| Other event costs | – | 5,514 |
| | <u> </u> | <u> </u> |
| | 178,784 | 170,251 |
| | <u> </u> | <u> </u> |
| Expenditure on charitable activities | | |
| Wages and salaries | 93,970 | 97,233 |
| Employer's NIC | 6,612 | 6,078 |
| Pension costs | 1,300 | 1,300 |
| Rent | 3,903 | 3,801 |
| Light and heat | 287 | 265 |
| Insurance | 946 | 910 |
| Motor vehicle expenses | 957 | 1,246 |
| Other motor/travel costs | 34,039 | 30,711 |
| Accountancy fees | 7,275 | 5,300 |
| Audit fees | – | 2,200 |
| Legal and other professional fees | – | 239 |
| Meeting costs | 3,844 | 2,881 |
| Communication and IT | 12,561 | 13,380 |
| Other office costs | 15,725 | 10,220 |
| Depreciation | 12 | 2,791 |
| Other interest payable and similar charges | 2,712 | 2,640 |
| Bad debt | 1,828 | – |
| Secretarial fees | – | 4,558 |
| General expenses | 1,919 | 2,841 |
| | <u> </u> | <u> </u> |
| | 187,890 | 188,594 |
| | <u> </u> | <u> </u> |
| Total expenditure | <u>367,657</u> | <u>360,513</u> |
| | <u> </u> | <u> </u> |
| Net (expenditure)/income | <u>(9,686)</u> | <u>41,751</u> |