

WELSH LAMB AND BEEF PRODUCERS LIMITED
UNAUDITED
COMMITTEE OF MANAGERMENTS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



Whittingham Riddell

chartered accountants

WELSH LAMB AND BEEF PRODUCERS LIMITED

SOCIETY INFORMATION

Committee of management	David Bebb Evans Dafydd Jones Hedd Pugh Helen Roberts Wyn Williams Wyn Evans Richard Issac Ceiriog Jones Jonathan Morgan Rhys Davies Don Thomas Morgan Jones-Parry William Glyn Jones Iestyn Tudor-Jones
Society secretary	William Glyn Jones
Society number	IP24153R
Registered office	Gorseland North Road Aberystwyth Ceredigion SY23 2HE
Accountants	Whittingham Riddell LLP Chartered Accountants Hafren House 5 St Giles Business Park Newtown Powys SY16 3AJ

WELSH LAMB AND BEEF PRODUCERS LIMITED

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WELSH LAMB AND BEEF PRODUCERS LIMITED

COMMITTEE OF MANAGERMENTS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The Committee of Management present their report and the financial statements for the year ended 31 March 2019.

Committee of managements

The Committee of Management who served during the year were:

David Bebb Evans
Dafydd Jones
Hedd Pugh
Helen Roberts
Wyn Williams
Wyn Evans
Richard Issac
Ceiriog Jones
Jonathan Morgan
Rhys Davies
Don Thomas
Wyn Williams
Morgan Jones-Parry
William Glyn Jones
Iestyn Tudor-Jones

In preparing this report, the committee of managements have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Committee of Management and signed on its behalf.

.....
William Glyn Jones
Secretary

Date: 16 December 2019

WELSH LAMB AND BEEF PRODUCERS LIMITED

**INDEPENDENT REPORTING ACCOUNTANT'S REPORT TO THE MEMBERS ON THE UNAUDITED
ACCOUNTS OF WELSH LAMB AND BEEF PRODUCERS LIMITED**

We report on the accounts for the year ended 31 March 2019 set out on pages 3 - 12.

Respective responsibilities of the committee of management and the independent reporting accountant
The society's committee of management is responsible for the preparation of the accounts, and they consider that the society is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our procedures consisted of comparing the accounts with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

Opinion

In our opinion:

- The revenue account and balance sheet for year ended 31 March 2019 are in agreement with the books of account kept by the society under section 75 of the Co-operative and Community Benefit Societies Act 2014;
- Having regard only to, and on the basis of the information contained in the books of account, the revenue account and balance sheet for the year ended 31 March 2019 comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- The society met the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the year specified in section 84 of the Co-operative and Community Benefit Societies Act 2014.

Whittingham Riddell LLP

Chartered Accountants

Hafren House
5 St Giles Business Park
Newtown
Powys
SY16 3AJ

Date:

WELSH LAMB AND BEEF PRODUCERS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover		1,897,005	1,257,963
Cost of sales		(1,782,874)	(1,143,629)
Gross profit		114,131	114,334
Administrative expenses		(127,841)	(121,665)
Operating loss		(13,710)	(7,331)
Interest receivable and similar income		2,252	652
Loss before tax		(11,458)	(6,679)
Tax on loss	5	(2,818)	889
Loss for the financial year		(14,276)	(5,790)

There were no recognised gains and losses for 2019 or 2018 other than those included in the profit and loss account.

The notes on pages 6 to 12 form part of these financial statements.

WELSH LAMB AND BEEF PRODUCERS LIMITED
REGISTERED NUMBER:IP24153R

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	6	89,400	96,570
Investments	7	25	25
		<u>89,425</u>	<u>96,595</u>
Current assets			
Debtors: amounts falling due within one year	8	960,362	612,579
Cash at bank and in hand	9	1,717,883	1,705,346
		<u>2,678,245</u>	<u>2,317,925</u>
Creditors: amounts falling due within one year	10	(2,064,768)	(1,694,367)
		<u>613,477</u>	<u>623,558</u>
Net current assets			
		<u>613,477</u>	<u>623,558</u>
Total assets less current liabilities			
		<u>702,902</u>	<u>720,153</u>
Provisions for liabilities			
Deferred tax	11	(3,283)	(6,236)
		<u>(3,283)</u>	<u>(6,236)</u>
Net assets			
		<u>699,619</u>	<u>713,917</u>
Capital and reserves			
Called up share capital	12	1,826	1,847
Profit and loss account	13	697,793	712,070
		<u>699,619</u>	<u>713,917</u>

WELSH LAMB AND BEEF PRODUCERS LIMITED
REGISTERED NUMBER:IP24153R

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2019

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

William Glyn Jones
Secretary

David Bebb Evans
Committee of management

Don Thomas
Committee of management

Date: 16 December 2019

The notes on pages 6 to 12 form part of these financial statements.

WELSH LAMB AND BEEF PRODUCERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. General information

Welsh Lamb and Beef Producers Limited, IP24153R, is a Co-operative and Community Benefit Society, incorporated in England and Wales, with its registered office and principal place of business at Gorseland, North Road, Aberystwyth, Ceredigion, SY23 2HE.

The principal activity of the Society is the provision of farm assurance and marketing schemes to members.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Community Benefit Societies Act 2014..

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the society and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the society will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

WELSH LAMB AND BEEF PRODUCERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.4 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the society operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2.5%	Straight Line
Office Equipment	-	33.0%	Straight Line
Computer Equipment	-	20.0%	Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

WELSH LAMB AND BEEF PRODUCERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the society a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the society becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.11 Financial instruments

The society only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In the opinion of the directors there are no estimates nor assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

WELSH LAMB AND BEEF PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

4. Employees

The average monthly number of employees, including directors, during the year was 16 (2018 - 16).

5. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	6,228	3,913
Adjustments in respect of previous periods	(457)	457
	<u>5,771</u>	<u>4,370</u>
Total current tax	<u><u>5,771</u></u>	<u><u>4,370</u></u>
Deferred tax		
Origination and reversal of timing differences	(2,953)	(5,259)
Total deferred tax	<u><u>(2,953)</u></u>	<u><u>(5,259)</u></u>
Taxation on profit/(loss) on ordinary activities	<u><u>2,818</u></u>	<u><u>(889)</u></u>

Factors affecting tax charge for the year

Tax is chargeable on investment income and profit from sales to non-members only.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

WELSH LAMB AND BEEF PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

6. Tangible fixed assets

	Freehold property £	Office Equipment £	Computer Equipment £	Total £
Cost or valuation				
At 1 April 2018	70,000	1,153	106,535	177,688
Additions	-	-	19,858	19,858
At 31 March 2019	<u>70,000</u>	<u>1,153</u>	<u>126,393</u>	<u>197,546</u>
Depreciation				
At 1 April 2018	30,625	1,153	49,339	81,117
Charge for the year on owned assets	1,750	-	25,278	27,028
At 31 March 2019	<u>32,375</u>	<u>1,153</u>	<u>74,617</u>	<u>108,145</u>
Net book value				
At 31 March 2019	<u>37,625</u>	-	<u>51,776</u>	<u>89,401</u>
At 31 March 2018	<u>39,375</u>	-	<u>57,195</u>	<u>96,570</u>

7. Fixed asset investments

	Investments in Associates £
Cost or valuation	
At 1 April 2018	25
At 31 March 2019	<u>25</u>

WELSH LAMB AND BEEF PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

8. Debtors

	2019 £	2018 £
Trade debtors	95,531	127,800
Amounts owed by related parties	731,194	461,973
Other debtors	25,605	10,939
Prepayments and accrued income	108,032	11,867
	<u>960,362</u>	<u>612,579</u>

9. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,717,883	1,705,346
	<u>1,717,883</u>	<u>1,705,346</u>

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	237,220	54,825
Amounts owed to related parties	1,281,537	1,071,537
Corporation tax	6,228	4,370
Other taxation and social security	48,203	74,198
Accruals and deferred income	491,580	489,437
	<u>2,064,768</u>	<u>1,694,367</u>

WELSH LAMB AND BEEF PRODUCERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

11. Deferred taxation

	2019 £
At beginning of year	6,236
Charged to profit or loss	(2,953)
At end of year	<u>3,283</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	3,283	6,236
	<u>3,283</u>	<u>6,236</u>

12. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
7,305 (2018 - 7,388) Ordinary shares of £0.25 each	1,826	1,847

During the year 293 shares were issued and 376 shares were cancelled.

13. Reserves

Profit & loss account

The profit and loss account represents the accumulated profits of the Society since incorporation.

14. Related party transactions

Welsh Agricultural Organisation Society Limited (WAOS): The Committee of Management consider WAOS a related party due to its close operating links and influence, shared management and objectives. At the year end the Society owed £1,281,537 (2018: £1,071,537) to WAOS.

Quality Welsh Food Certification Limited (QWFC): The Committee of Management consider QWFC a related party due to its close operating links and influence, shared management and objectives. At the year end the Society was owed £731,194 (2018: £461,973) from QWFC.

