

**WELSH LAMB AND BEEF PRODUCERS LIMITED**  
**UNAUDITED**  
**COMMITTEE OF MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

  
**Whittingham Riddell**  
*chartered accountants*

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WELSH LAMB AND BEEF PRODUCERS LIMITED

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SOCIETY INFORMATION

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|                                |  |
|--------------------------------|--|
| <b>Committee of management</b> | Robyn Benbow<br>Helen Davies<br>Aled Evans<br>David Bebb Evans<br>Huw Evans<br>Wyn Evans<br>Ceiriog Jones<br>Dafydd Jones<br>Jonathan Morgan<br>Hedd Pugh<br>Don Thomas<br>Wyn Williams<br>Morgan Jones-Parry<br>WG Jones<br>Richard Issac<br>Iestyn Tudor-Jones |
| <b>Society secretary</b>       | W G Jones  |
| <b>Society number</b>          | IP24153R   |
| <b>Registered office</b>       | Gorseland<br>North Road<br>Aberystwyth<br>Ceredigion<br>SY23 2HE   |
| <b>Accountants</b>             | Whittingham Riddeff LLP<br>Chartered Accountants<br>Hafren House<br>5 St Giles Business Park<br>Newtown<br>Powys<br>SY16 3AJ   |

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WELSH LAMB AND BEEF PRODUCERS LIMITED

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| <b>Detailed profit and loss account and summaries</b>                       |        |

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WELSH LAMB AND BEEF PRODUCERS LIMITED

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COMMITTEE OF MANAGERMENTS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2018

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The Committee of Management present their report and the financial statements for the year ended 31 March 2018.

**Committee of managements**

The Committee of Management during the year were:

Robyn Benbow  
Helen Davies  
Aled Evans  
David Bebb Evans  
Huw Evans  
Wyn Evans  
Ceiriog Jones  
Dafydd Jones  
Jonathan Morgan  
Hedd Pugh  
Don Thomas  
Wyn Williams  
Morgan Jones-Parry  
WG Jones  
Richard Issac  
Iestyn Tudor-Jones

This report was approved by the Committee of Management on 17 December 2018 and signed on its behalf.



WG Jones  
Secretary

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**WELSH LAMB AND BEEF PRODUCERS LIMITED**

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

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We report on the accounts for the year ended 31 March 2018 set out on pages 3 - 13.

**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 2018 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 2018 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:

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WELSH LAMB AND BEEF PRODUCERS LIMITED

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PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2018

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|   | Note | 2018<br>£      | 2017<br>£      |
|---|------|----------------|----------------|
| Turnover                                    |      | 1,257,963      | 1,166,792      |
| Cost of sales                               |      | (1,143,629)    | (1,061,292)    |
| <b>Gross profit</b>                         |      | <b>114,334</b> | <b>105,500</b> |
| Administrative expenses                     |      | (121,665)      | (81,190)       |
| <b>Operating (loss)/profit</b>              |      | <b>(7,331)</b> | <b>24,310</b>  |
| Interest receivable and similar income      |      | 652            | 2,285          |
| <b>(Loss)/profit before tax</b>             |      | <b>(6,679)</b> | <b>26,595</b>  |
| Tax on (loss)/profit                        | 5    | 889            | (9,902)        |
| <b>(Loss)/profit for the financial year</b> |      | <b>(5,790)</b> | <b>16,693</b>  |

There were no recognised gains and losses for 2018 or 2017 other than those included in the profit and loss account.

The notes on pages 5 to 12 form part of these financial statements.

**WELSH LAMB AND BEEF PRODUCERS LIMITED**  
**REGISTERED NUMBER:IP24153R**

**BALANCE SHEET**  
**AS AT 31 MARCH 2018**

|  | Note | 2018<br>£   | 2017<br>£   |
|--|------|-------------|-------------|
| <b>Fixed assets</b>                            |      |             |             |
| Tangible assets                                | 6    | 96,570      | 101,985     |
| Investments                                    | 7    | 25          | 25          |
|  |      | 96,595      | 102,010     |
| <b>Current assets</b>                          |      |             |             |
| Debtors: amounts falling due within one year   | 8    | 612,579     | 327,032     |
| Cash at bank and in hand                       | 9    | 1,705,346   | 1,706,313   |
|  |      | 2,317,925   | 2,033,345   |
| Creditors: amounts falling due within one year | 10   | (1,694,367) | (1,404,141) |
| <b>Net current assets</b>                      |      | 623,558     | 629,204     |
| <b>Total assets less current liabilities</b>   |      | 720,153     | 731,214     |
| <b>Provisions for liabilities</b>              |      |             |             |
| Deferred tax                                   | 11   | (6,236)     | (11,495)    |
|  |      | (6,236)     | (11,495)    |
| <b>Net assets</b>                              |      | 713,917     | 719,719     |
| <b>Capital and reserves</b>                    |      |             |             |
| Called up share capital                        | 12   | 1,847       | 1,860       |
| Profit and loss account                        | 13   | 712,070     | 717,659     |
|  |      | 713,917     | 719,719     |

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

W G Jones  
Secretary



David Bebb Evans  
Committee of management



Don Thomas  
Committee of management



Date: 17 December 2018

The notes on pages 5 to 12 form part of these financial statements.

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**WELSH LAMB AND BEEF PRODUCERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**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.



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WELSH LAMB AND BEEF PRODUCERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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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.

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WELSH LAMB AND BEEF PRODUCERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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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.

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WELSH LAMB AND BEEF PRODUCERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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4. Employees

The average monthly number of employees, including directors, during the year was 16 (2017 - 16).

5. Taxation

|   | 2018<br>£      | 2017<br>£    |
|---|----------------|--------------|
| <b>Corporation tax</b>                                  |                |              |
| Current tax on profits for the year                     | 3,913          | -            |
| Adjustments in respect of previous periods              | 457            | -            |
|   | <u>4,370</u>   | <u>-</u>     |
| <b>Total current tax</b>                                | <u>4,370</u>   | <u>-</u>     |
| <b>Deferred tax</b>                                     |                |              |
| Origination and reversal of timing differences          | (5,259)        | 4,060        |
| Losses not recognised                                   | -              | 5,842        |
|   | <u>(5,259)</u> | <u>9,902</u> |
| <b>Taxation on (loss)/profit on ordinary activities</b> | <u>(889)</u>   | <u>9,902</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 2018

6. **Tangible fixed assets**

|                                     | Freehold<br>property<br>£ | Office<br>Equipment<br>£ | Computer<br>Equipment<br>£ | Total<br>£     |
|-------------------------------------|---------------------------|--------------------------|----------------------------|----------------|
| <b>Cost or valuation</b>            |                           |                          |                            |                |
| At 1 April 2017                     | 70,000                    | 1,153                    | 88,533                     | 159,686        |
| Additions                           | -                         | -                        | 18,002                     | 18,002         |
| At 31 March 2018                    | <u>70,000</u>             | <u>1,153</u>             | <u>106,535</u>             | <u>177,688</u> |
| <b>Depreciation</b>                 |                           |                          |                            |                |
| At 1 April 2017                     | 28,875                    | 792                      | 28,033                     | 57,700         |
| Charge for the year on owned assets | 1,750                     | 360                      | 21,307                     | 23,417         |
| At 31 March 2018                    | <u>30,625</u>             | <u>1,152</u>             | <u>49,340</u>              | <u>81,117</u>  |
| <b>Net book value</b>               |                           |                          |                            |                |
| At 31 March 2018                    | <u>39,375</u>             | <u>1</u>                 | <u>57,195</u>              | <u>96,571</u>  |
| At 31 March 2017                    | <u>41,125</u>             | <u>360</u>               | <u>60,500</u>              | <u>101,985</u> |

7. **Fixed asset investments**

|                          | Investments<br>in<br>Associates<br>£ |
|--------------------------|--------------------------------------|
| <b>Cost or valuation</b> |                                      |
| At 1 April 2017          | 25                                   |
| At 31 March 2018         | <u>25</u>                            |
| <b>Net book value</b>    |                                      |
| At 31 March 2018         | <u>25</u>                            |
| At 31 March 2017         | <u>25</u>                            |

WELSH LAMB AND BEEF PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

8. Debtors

|                                 | 2018<br>£ | 2017<br>£ |
|---------------------------------|-----------|-----------|
| Trade debtors                   | 127,800   | 8,877     |
| Amounts owed by related parties | 461,973   | 304,191   |
| Other debtors                   | 10,939    | 10,939    |
| Prepayments and accrued income  | 11,867    | 3,025     |
|                                 | 612,579   | 327,032   |

9. Cash and cash equivalents

|                          | 2018<br>£ | 2017<br>£ |
|--------------------------|-----------|-----------|
| Cash at bank and in hand | 1,705,346 | 1,706,313 |
|                          | 1,705,346 | 1,706,313 |

10. Creditors: Amounts falling due within one year

|                                    | 2018<br>£ | 2017<br>£ |
|------------------------------------|-----------|-----------|
| Trade creditors                    | 54,825    | 593       |
| Amounts owed to related parties    | 1,071,537 | 861,537   |
| Corporation tax                    | 4,370     | -         |
| Other taxation and social security | 74,198    | 69,090    |
| Accruals and deferred income       | 489,437   | 472,921   |
|                                    | 1,694,367 | 1,404,141 |

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WELSH LAMB AND BEEF PRODUCERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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11. Deferred taxation

|                           | 2018<br>£           |
|---------------------------|---------------------|
| At beginning of year      | 11,495              |
| Charged to profit or loss | (5,259)             |
| <b>At end of year</b>     | <u><u>6,236</u></u> |

The provision for deferred taxation is made up as follows:

|                                | 2018<br>£           | 2017<br>£            |
|--------------------------------|---------------------|----------------------|
| Accelerated capital allowances | 6,236               | 11,495               |
|                                | <u><u>6,236</u></u> | <u><u>11,495</u></u> |

12. Share capital

|  | 2018<br>£           | 2017<br>£           |
|--|---------------------|---------------------|
| <b>Allotted, called up and fully paid</b>          |                     |                     |
| 7,388 (2017 - 7,438) Ordinary shares of £0.25 each | <u><u>1,847</u></u> | <u><u>1,860</u></u> |

During the year 254 shares were issued and 304 shares were cancelled.

13. Reserves

**Profit & loss account**

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

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WELSH LAMB AND BEEF PRODUCERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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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. WAOS provided services and recharges to the society during the year of £414,106 (2017: £357,096). At the year end the Society owed £1,071,537 (2017: £861,53) 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. QWFC provided services for the society during the year of £736,473 (2017: £710,792). At the year end the Society was owed £461,973 (2017: £304,191) from QWFC.

