

# Annual Report & Accounts

For the year ended 31 December 2022

[www.holstein-uk.org](http://www.holstein-uk.org)





Holstein National Show Championship - Champion Styche Armourhill Gonda,  
R. Champion Wilt Bailay, H. Mention 5Guys Blexy Black Raptor

## Officers of the Society

**President** – Mr J Jamieson

**Chairman** – Mr M Smale

### Registered Office

Scope House, Hortonwood 33, Telford,  
Shropshire, TF1 7EX

## Advisors to the Society

### Auditors

WR Partners

Chartered Accountants and Statutory Auditors  
Belmont House, Shrewsbury Business Park,  
Shrewsbury, Shropshire SY2 6LG

### Bankers

Barclays Bank PLC  
32 Clarendon Road, Watford,  
Hertfordshire WD1 1LO

### Fund Managers

Close Brothers Asset Management  
10 Exchange Square, Primrose Street,  
London EC2A 2BY

## Contents

President's Report	3
Chairman's Report	4
Chief Executive's Report	6
Report of the Trustees	8
Strategic Report	14
Report of the Independent Auditors	18
Consolidated Statement of Financial Activities	20
Consolidated and Charity Balance Sheets	21
Charity Statement of Financial Position	22
Consolidated Statement of Cash Flows	23
Notes to the Financial Statements	24

# PRESIDENT'S REPORT

## John Jamieson

As we come to the end of another successful year for Holstein UK, it is a great opportunity to pause and take stock of the progress and successes that have been achieved.

I have thoroughly enjoyed the second year of my Presidency and it has been great to support events and activities without restrictions. Helen and I have covered many miles attending events, catching up with friends and reminiscing from my 40-year involvement with the breed. From shows and open days, to club dinners and competitions – the achievements and support for the breed bodes well for the future.

The highlight of my time as President was the Scottish Club hosting the Holstein Celebration and AGM in Dumfries and Galloway. It was an honour to welcome visitors to our area where they enjoyed herd visits and local attractions. The Celebration is always a great opportunity to come together with like-minded people, see great cows and share ideas.

The last year has seen our members excel in national competitions. The Gold Cup continues to be dominated by Holstein UK members and CIS customers, with the Logan's of Holehouse in Ayrshire taking top honours and all five finalists being HUK members. The appeal and convenience of on-farm judging is evident in the support that these competitions attract, with Herds Competitions becoming ever more popular within our clubs. Thank you to all those that took the time to enter these competitions and showcase their herds.

UK Dairy Day is regarded as the showcase event for the UK dairy industry and is the venue for our National Holstein Show. It never fails to produce a great spectacle of outstanding animals.

At the Show, the presentations took place for the Premier Herd Awards to the seven regional finalists. Brian and Judith Moorhouse of the Aireburn herd were crowned the overall winners and we look forward to the open day on the 1st August in Yorkshire.

At this year's event, we also saw Ian Leach from the CIS awarded the Howard Sneesby Award for his contribution to the success of UK Dairy Day. A well deserved accolade for his dedication to the show.

The HYB Weekend Rally is our opportunity to focus on, and promote, the young people within our breed. It was such an encouraging sight to see so many keen, enthusiastic young breeders. This year's rally was hosted by the North East club in the Durham area, where we enjoyed super weather and great support from all the clubs. These events take a lot of time and organisation to stage which I think was evident for all to see – well done to the organisers for a successful weekend.

The All Breeds All Britain Calf Show is another event which showcases our youth, this was to be our last year at Peterborough. At this event, a number of prestigious awards were presented over the weekend. Congratulations to all these individuals for their achievements. The highlight of the weekend for our clubs is the team awards which are always keenly contested throughout the weekend. The pride they take in these awards is humbling and win or lose, it was clear to see that they all had a great time!

I was honoured, once again, to be involved in the judging of the prestigious Presidents Medal Award. Eight club nominees were interviewed and the successful three finalists were invited as guests to the Semex Conference. The overall winner being Natasha Kirby

from Lancashire, with Alison Lawrie (Scotland) and Pippa Tudor (Shropshire) as very worthy joint runners up. All these young people are fantastic ambassadors for our breed and are a credit to themselves, their families, and their clubs. This year also saw the winner being presented with the Sue Cope Memorial Award. The untimely passing of Sue was a huge loss to our Society, a much respected colleague and friend to so many, and so it is a touching tribute for this model cow to be presented annually in her name. Sue was a previous medal winner and big supporter of HYB and we thank the Cope family for this award.



We are continually impressed by the achievements of all our HYB members and are indebted to Semex for their continued support. These young people are the future of our breed and it is important that we continue to encourage them and give them opportunities to progress.

In the sales ring, we continue to see strong demand for pedigree cattle in both herd and collective sales. This justifies the importance of classification, milk recording and health testing to add value to our stock. Online buying and selling is now the norm and is a useful development to enable members to view and purchase at any sale in the country from the comfort of their home.

This year also saw the successful completion of the impressive new headquarters – Scope House. The staff and membership will all benefit from this investment for years to come and will enable the organisation to grow and fulfil the demands of our industry.

The recent appointments of Melanie Harmitt as our CEO and Michael Halliwell as Group Commercial Director will give tremendous strength and direction to the organisation and they will oversee the implementation of our five-year business strategy.

In conclusion, it gives me great pleasure to report that Holstein UK is in a strong position to promote the breed and take the Society forward and is a great credit to all involved. I would like to take this opportunity to thank the staff, especially Hannah and the events team, for all their help and guidance over the last two years. My sincere thanks to all the members and clubs for making Helen and I so welcome on our travels. Also, thank you to Helen for her support throughout the year and our son, Graham, who was in charge at home.

Finally, my congratulations go to Andrew Jones, our incoming President, who I am sure will enjoy sharing his experience and knowledge with the membership. Wishing Andrew and Jenny all the best for their busy year ahead.

**John Jamieson**  
President



# CHAIRMAN'S REPORT

## MICHAEL SMALE

A year of change, is how I have described the last twelve months. The appointment of Melanie Harmitt as CEO from her previous role as Chief Finance Officer brings both experience and stability for the Holstein UK Group and our staff.

To complete the changes, Tom Corns has been appointed Head of Finance and as part of the forward development of Holstein UK, Michael Halliwell comes to the Society in the role of Group Development Officer, to work across Holstein UK, NBDC and CIS.

The development of our new property in Telford is now complete, bar the verification of the new CIS lab equipment which needs to be accredited before we are fully operational out of Scope House, named as a tribute to Sue Cope.

The past twelve months have seen events very well supported and both UK Dairy Day and Premier Herd Open Day at Davies' Davlea Herd attracted large crowds. HYB is back in full swing, with both the HYB Weekend Rally and the ABAB Calf Show taking place and The All Britain Awards attracted 166 entries and together this highlights the importance and popularity of pedigree and the work that the Society does to promote it.

Across the Group, profits have eased slightly, due to the development of Scope House, a return to a full Holstein UK events

programme and rising costs. But as a Society, we remain assets rich with Scope House paid for, ownership of Spier House retained and the ongoing part sale of Scotsbridge House.

CIS has once again performed well, with an increased customer base and rising health testing. NBDC is benefiting from a steady rise in non-contracted genomic testing and classifying has returned to pre Covid levels. But providing these quality services, at an affordable price, remains a challenge.

Holstein UK has streamlined its operations and financial position with improving efficiency, alongside registrations and membership holding stable. It leaves the Society in a strong position to develop the business going forward.

I would like to give my heartfelt thanks to our retiring president John and his wife Helen, for the remarkable commitment that they have put in over the last two years.



Holstein UK Premier Herd Competition Regional Winners



Holstein National Calf Show Championship Champion Newbirks Chief Jazz 1970,  
Res. Champion Crossfell Thunderstorm Noel, HM Riverdane Lambda Rosabel

Representing Holstein UK at events, conferences and meetings to promote our members' views and the Society.

I would also like to thank Peter Prior who is standing down as a Trustee after seven years and wish him well for the future.

We welcome our new president, Andrew Jones, and two new trustees, Dawn Coryn for the Far West and Wallace Patton for Northern Ireland as a second trustee to more accurately reflect the strength of our membership in that geographical area. We hope they enjoy their new roles.

As I finish my term, I would like to thank the Trustees past and present for their work and support over the last four years, in my time as Chairman.

To all our staff at the Holstein UK Group, I would like to thank them for their hard work and dedication. They have all been an absolute pleasure to work with.

Finally, I would like to thank the group of people in Cornwall and my family for their total support that has enabled me to hold the honor of Chairman. May I wish all the members and the staff all the very best for the future – cheers and gone!

**Michael Smale**

Chairman

# CHIEF EXECUTIVE'S REPORT

## MELANIE HARMITT

2022 was a year of highs. The highest ever milk prices were joined by the highest inflation for more than 40 years which resulted in unprecedented cost pressure on farms through higher energy and supplies costs. Higher than average temperatures and extended dry spells caused significant variances in harvest leaving many farms with a challenging winter with lower homegrown stocks and the prospect of buying in feed adding even more cost. But our members rose to the challenge as usual. Unfortunately, heading into 2023, we have already seen milk prices start to fall without a corresponding reduction in costs so we proceed with yet more uncertainty.

For Holstein UK, 2022 involved significant change. The loss of our CEO, Sue Cope, in May 2022 after a short illness was a very difficult time. Sue was a great leader who worked tirelessly for the good of the Holstein UK Group and she is sorely missed. Sue was instrumental in the purchase of our new HQ at Hortonwood in June 2021 and following a complete renovation, we now have contemporary offices, conference facilities and CIS laboratory space which doubles the floorspace of Speir House and gives us capacity for future expansion. All of this has been achieved without the need for borrowing funds. HUK and NBDC office staff moved in in July 2022 and the Trustees agreed the HQ should be renamed Scope House in memory of Sue, with the permission of her family. The CIS laboratory and staff should move early in 2024.

To christen our bespoke conference facilities we held a Holstein UK Group staff day on 14th February 2023. This brought all staff together for the first time since 2019 and was a great opportunity for the teams to catch up with old friends and make new ones. We had a session on business development which was followed by an informal lunch and finally an award ceremony which saw 21 employees across the group receive Long Service Awards for service from 10 years to 35 years, a total of 378 years! It never ceases to amaze me how dedicated our staff are to our companies and I am immensely proud to lead such a hardworking team.

We are once again reporting positive financial results for the Group. Holstein UK continues to trade at a loss and whilst we continue to work hard to reduce the loss, the Charity remains viable through the support of Holstein UK's investments and other companies within the Group. Throughout the year, the Board of Trustees updated the five year strategy of aspirations, objectives and actions which must be met in order to deliver our charitable objectives. The strategy covers 2023-27 and is available on our website.

### Membership

Membership numbers in 2022 are slightly down compared to 2021. In line with industry trends, we unfortunately lost 225 members, however, 193 new members saw the value of pedigree and joined the Society.

### Herd Book Management

After a 7% increase in total registrations in 2021, I am pleased to share that we have maintained a similar level with 209,132 new animals entering the Herd Book in 2022. We will continue to focus on ensuring our systems support members and meet relevant legislation. Animal movements continue to be a huge issue now we are classed as a third country breed society and we continue to push for greater ease of export for our members.

### Approved Registered Cattle

Sales of Approved Registered Cattle eartags continue to be strong and prices are regularly reviewed to ensure this remains a valuable member benefit. Opportunities to sell to more coloured breeds are being investigated to benefit from further volume discounts.

### Genomics

There were fewer genomic tests processed by NBDC in

2022 due to the AHDB Herd Advance Project winding down. The genomic testing contract was put out to tender to ensure we can offer the best value service to our members and customers with Neogen being awarded a new three-year contract.

### Type Classification

With the removal of all Covid-19 restrictions, the classification team had a full year on the road for the first time since 2019. The team inspected 135,394 cattle during 2022, an increase of 8.1% on 2021 and the highest number since 2018. 3,799 farms invited the Classifiers onto their farms, an increase of 24% on 2021, and we are very grateful for the warm welcome they receive.

### Milk Recording and Animal Health Testing

An additional 105 herds, bringing 26,447 cows, joined the Cattle Information Service (CIS) in 2022 adding to the growth seen in previous years. Of those new herds, 59 were new to milk recording and are reaping the benefits our services can provide. Unfortunately, we lost 70 herds in 2022, in line with the losses in 2021; 58 due to the farms ceasing production which is sadly a recurring theme each year. The CIS continues to prove a wise investment for the Society, gifting significant profits each year, and investment in new equipment for the new laboratory at Hortonwood will ensure we are well paced to manage future growth.

### Charitable Objectives

Holstein UK continues in its commitment to promote and improve the breeds within the Herd Book by supporting and representing our members.

It has been fabulous to have a full year of events again. From DairyTech starting the show season in February to the Royal Ulster Winter Fair closing the shows in December via all of the fantastic venues in between, we have had the pleasure of meeting many of our members and seeing amazing pedigree cows.

Once again, our young members showed the future of the dairy industry is in safe hands with nominations for all three of this year's Holstein Young Breeder (HYB) awards being as strong as ever. Congratulations to President's Medal Award winner Natasha Kirby (Lancashire), Louise Hartley Award winner George Thomas (East Midlands) and Little Star Award winner Sioned Morris (Shropshire) who are all great ambassadors for HYB.





The 2022 Lifetime Achievement Award winner was a recently retired Holstein UK employee who had a long history of working with dairy cattle around the world. Richard Beard was a worthy winner of this award due to his lifelong dedication to the breed. Richard wrote a column for 10 years in Holstein World magazine and also contributed numerous articles to The Journal during his 40 years working for Holstein UK.

The HYB Weekend Rally returned in August in its usual weekend format and was hosted by the North East Club in Durham and North Yorkshire. Farm visits, national stock judging and linear assessment competitions, inter-club games and the Field-2-Foto competition provided a fantastic chance to compete, socialise and relax with friends.

Brian and Judith Moorhouse of Aireburn Holsteins were the overall winners of the Premier Herd Competition, chosen from a shortlist of truly exceptional herds. We look forward to attending their Open Day at Hesper Farm on 1st August 2023.

UK Dairy Day was once again a huge success with visitor and exhibitor numbers at pre-Covid-19 levels. The ongoing support from the industry and our members makes all the hard work which goes into hosting the event worthwhile. We took time at UK Dairy Day to remember Sue Cope, our previous CEO, who sadly passed away in May 2022 after a short illness. Sue was instrumental in making UK Dairy Day the hugely successful event it is today and at the 2021 event received the Howard Sneesby Award which is presented to the person who has made a significant difference to others through constant support and encouragement. UK Dairy Day saw the launch of our fundraising for Sue, with two exercise bikes covering the journey from Lands End to John O'Groats. With the support of Sue's family, staff, exhibitors and visitors, the 874 mile journey was cycled twice and over £4,000 was raised for Brain Tumour Research.

The All Breeds All Britain (ABAB) Calf Show returned to Peterborough and our young members once again embraced the opportunity to showcase their calves and handling skills. The ABAB Calf Show was the appropriate place to launch The Sue Cope Bursary. Sue competed in YMA, was a President's Medal Award winner and was Holstein UK's

National YMA Coordinator in the early days of her career with the Society. The £1,500 bursary is to support HYB members who have an interest in furthering their skillset within the dairy industry and can be used towards a training course, management programme or to gain a wider knowledge of international farming practices.

Congratulations must also go to RABDF Gold Cup winners, the Logans of Holehouse Farms, Ayrshire. The Logans are CIS customers using the Holstein Complete package to access registration and classification services which is a fantastic advertisement for Holstein UK Group services.

John Jamieson continued his presidency in 2022 and we were finally able to hold an in-person Holstein UK Celebration and AGM. John, his wife Helen, and the Scottish Holstein Club hosted a fabulous event in Dumfries with fantastic farm visits and local food and entertainment. John and Helen have travelled the length and breadth of the UK representing Holstein UK and have been a real asset to the Society during John's two year tenure.

I am extremely grateful to have had the support of the Chairman, Michael Smale, whose wisdom has been invaluable during the last year. And since June 2022, I have also been supported by Wallace Gregg, Chairman Elect, who I will continue to work with when he becomes Chairman in June 2023. Being Chairman of the Society is a significant time commitment and I would like to extend my thanks to Michael's and Wallace's families for their support.

Finally, thank you to all of our members and customers of CIS and NBDC. Without our members, there would be no Society and I look forward to your continued support in 2023.

**Melanie Harmitt**  
Chief Executive



# REPORT OF THE TRUSTEES

## TRUSTEES' REPORT

The Trustees present their Annual Report together with the audited financial statements of the Charitable Group for the year 1 January 2022 to 31 December 2022. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law. The Trustees confirm that the Annual Report and financial statements of the Charitable Group comply with the current statutory requirements, the requirements of the Charitable Group's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The audited consolidated financial statements comply with the Charities Act 2011, the Companies Act (2006) and the Charities (Accounts and Reports) Regulations 2008. The Trustees' Report (including the strategic report) and financial statements are submitted to the Charity Commission following approval by the membership at the AGM.

The Charity (also referred to as the "Society") was incorporated on 25 November 1998 and is governed by its Memorandum and Articles of Association.

The trustees who served during the period were:

<b>Elected 2014</b>	Michael Smale	Far Western
<b>Elected 2016</b>	Peter Prior	South East & Eastern
<b>Elected 2017</b>	Sandy Pirie	Scotland
	David Jones retired 29.06.22	West Midlands
<b>Elected 2018</b>	David Yates retired 29.06.22	Scotland
	Wallace Gregg	Northern Ireland
<b>Elected 2019</b>	Jane Whittaker	North Western
	John Hartley	Lancashire
	Matthew Winter	East Midlands
	Stephen Hill	North Midlands
<b>Elected 2020</b>	William Williams	North Wales
	Andrew Williamson	Northern
<b>Elected 2021</b>	Richard Thomas	South Wales
	Ben Yates	Southern
	David Lawson	Yorkshire
<b>Elected 2022</b>	James Baillie From 30.06.22	Scotland
	Claire Jones From 30.06.22	West Midlands

Holstein UK President's Medal Winner Natasha Kirby





## OBJECTIVES AND ACTIVITIES

### a. Policies and objectives

The objectives of the Charity are to support the development of the UK dairy industry by focusing on breeding pedigree Holstein and British Friesian cattle in the United Kingdom. The Society also supports other charities working in the dairy industry through the provision of services in support of their objectives. As a member organisation, Holstein UK represents the views of its members to those with influence or interest in dairying for the further interest of the industry.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public Benefit: running a charity (PB2)'.

### b. Strategies for achieving objectives

The Charity aims to increase the efficiency of dairy cattle, specifically Holstein and British Friesian breeds, in a sustainable manner consistent with the advancement of animal welfare and environmental protection.

### c. Activities undertaken to achieve objectives

At the AGM in June 2018, the Charity launched its first 5-year Strategy for the period 2018-22 which incorporated feedback from Members. The strategy document was updated by the Trustees during 2022 and the strategy for 2023-27 can be found on the Holstein UK website, however, in summary, the strategy covers the following:

## BREED DEVELOPMENT ASPIRATION

**To have the ideal cow within the Holstein UK Herd Book for the UK and international markets.**

### OBJECTIVE

1. Develop the Society breeds to meet the demands of dairy producers.
2. Provide tools and services to aid improvement in the financial value of the Society breeds.

### ACTION

- Encourage and educate producers about the benefits of genetic gain.
- Become farmers' first choice for genomic testing, being a national leader for the service.
- Promote the benefits of using independent mating services.
- Measure the financial impact of type improvement and promote the benefits.
- Continually review traits collected and add new traits when necessary.
- Annually review the model cow to ensure its relevance to dairy producers.
- Introduce an interpretation service following herd type evaluation visits in order to maximise usefulness.

## RESEARCH & DEVELOPMENT ASPIRATION

**The UK Holstein and British Friesian breeds to be the best placed breed choices for all UK farming systems and be recognised internationally.**

### OBJECTIVE

1. Ensure UK dairy farmers recognise evidence and understand the benefits.
2. Ensure international dairy cattle breeders understand the strengths of UK genetics.
3. Share data to prove the relationship between the use of Holstein UK services and herd profitability.

### ACTION

- Introduce research to determine the relationship between conformation and profitability.
- Investigate correlation of type traits against production, health and fertility.
- Analyse production and type data to establish longevity and profitability trends for comparisons with other breeds and crossbreeds.
- Partner with research establishments to investigate issues regarding sustainability, robustness and environmental issues.
- Work with type evaluation teams to track progress and direction.
- Communicate research findings with members and promote benefits to a wider audience.
- Keep up to date with external research and communicate findings to members.
- Recommend changes to services and products following research projects.

## PROMOTION ASPIRATION

**Every UK dairy breeder recognises the benefits of Holstein UK services and wishes to become a member.**

### OBJECTIVE

1. Ensure all UK dairy farmers understand the benefits of registered cattle.
2. Increase the use of Holstein UK services amongst UK producers.
3. Ensure international dairy cattle breeders recognise the type, performance and longevity of Holstein UK breed genetics.
4. Decrease the average age of the membership by encouraging youth members.
5. Partner with key agricultural education centres.
6. Ensure industry bodies understand the importance of registered cattle and the related benefits.

### ACTION

- Maximise the shop window at UK Dairy Day, which incorporates The National Holstein Show.
- Attend key agricultural events that benefit the Society and members.
- Invest in UK print and digital advertising.
- Ensure Holstein UK type evaluations are relevant to UK dairy producers.
- Highlight the diverse range of genetics within the Herd Book.
- Invest in methods appropriate for our target audience and the audience of the future.
- Develop key messages that incorporate interested parties.
- Develop quarterly marketing campaigns.
- Use technology wherever possible to promote the Society to a wider audience.
- Rigorously encourage education centres to use Holstein UK Group resources as a tool to aid learning.
- Promote the Society as an independent source of information.
- Invest in international digital advertising.
- Encourage international visitors to UK Dairy Day and Holstein UK members' farms.
- Have representation at key international events with a clear objective.
- Have representation on the European Herd Book committee.
- Compete internationally, where possible, with people and cattle.
- Encourage international exchange programs for HYB.
- Promote the Holstein UK breeds, referencing performance.

## SERVICES ASPIRATION

**Society members use and benefit from all Holstein UK Group Services.**

### OBJECTIVE

1. Ensure services make use of the latest technology and innovation.
2. Ensure members understand the portfolio of services and their benefits.
3. Attract new members to the Society using the benefits of its services.
4. Eradicate, wherever possible, duplication of data entry, streamlining services where possible and working with other on-farm organisations.
5. Ensure services meet the requirements of Holstein UK members and appeal to all dairy producers.

### ACTION

- Assess the relevance of current services and structure a development plan, where necessary, to become more efficient at the lowest possible cost.
- Introduce new services as the market/industry requires.
- Forge partnerships with third party companies to eradicate duplication of data entry.
- Introduce robust project planning.
- Develop response and completion targets for all services.
- Inform members of benefits of services through marketing.
- Ensure UK Dairy Day becomes an avenue to promote services to existing and potential members.
- With the use of IT, extend the access to tools and services to be available 24/7.
- Introduce, wherever possible, new technology to aid the use of services.
- Develop help guides for all services.

## FINANCE ASPIRATION

**Holstein UK to have a secure long term future and remain the largest independent breed Society in Europe.**

### OBJECTIVE

1. Ensure Holstein UK is financially viable both short and long term.
2. Ensure the Holstein UK Group remains a relevant body within the domestic and international dairy sectors through investment.

### ACTION

- Ensure the Holstein UK Group operates at a profit to allow reinvestment.
- Spread the risk of investments with an emphasis on property.
- Return revenue to the Charity through the subsidiaries without harming the companies' growth.
- Produce monthly management accounts by working day ten of each new month.
- Compile the Holstein UK Annual Report following completion of audited accounts.
- Have robust internal and external audits and procedures.
- Maintain risk register and review annually to reduce exposure to liability.
- Review supplier contracts on an annual basis.
- Follow correct protocols for purchases and expenditure.

## VOICE ASPIRATION

**Holstein UK members to have a voice at industry and Government level.**

### OBJECTIVE

1. Ensure Holstein UK understands member opinion.
2. Have a unified message as a point of reference for all members.
3. Have an established avenue of communication to industry and Government.
4. Have robust facts and figures to support communication.
5. Become a source of data for the industry.

### ACTION

- Develop a process to collect member opinion and disseminate feedback.
- Develop a united message regarding the future of the dairy industry, which represents the membership.
- Forge partnerships with current industry lobbying parties.
- Promote the benefits of registered cattle to milk buyers and retailers.
- Work with industry partners to support consumer engagement and promotion of dairy products.
- Share industry news, education and developments with members.
- Establish key data that will support communication.
- Track trends within the Herd Book genetics and develop predictions based on past data.
- Address legislation matters that directly impact members.
- Compile a communication document highlighting the forward planning required by members to meet future milk contracts.
- Respond to Government consultations on behalf of members.
- Develop direct communication with serving MP's.

## COMMUNICATION ASPIRATION

**All members are fully informed and educated on the Society and relevant industry activities.**

### OBJECTIVE

1. Ensure Holstein UK members fully understand the activities of the Society.
2. Understand Holstein UK member needs.
3. Ensure Holstein UK members contribute to and know the strategy for the Society.
4. Share relevant industry developments through Society communication channels.

### ACTION

- Use *The Journal* as a tool to keep members informed.
- Gather communication data from members, such as email addresses and mobile numbers.
- Ensure Group news contains up to date information on services and their benefits.
- Review communication avenues and make best use of new technologies and tools.
- Ensure UK Dairy Day, Holstein UK events and attended shows become a portal to showcase Society activity.
- Use the news sections of the Group websites and social media to keep members informed.
- Ensure timely communication of Board decisions to all members.
- Ensure trustees have up to date Society news to communicate with Clubs and members.
- Effectively capture affiliated Clubs' opinions.
- Gather feedback from members and action as appropriate.
- Ensure all ways of communication meet GDPR legislation.



## RECOGNITION ASPIRATION

**Holstein UK awards to be held with high regard within the domestic and international industries.**

### OBJECTIVE

1. Ensure individual cow awards are relevant to the whole industry and recognised as adding value to the animal.
2. Ensure herd awards recognise management as well as genetic quality.
3. Ensure member awards acknowledge personal achievements.

### ACTION

- Review all awards and assess the relevance of each Society accolade.
- Investigate new awards which recognise herd management, cattle health and welfare, genetics and efficiency.
- Compare UK awards with international competitions and develop awards that have global recognition.
- Introduce marketing plans for each award.
- Develop a calendar of awards and make it available to all members.
- Promote award winners internally and externally to raise profile of awards.
- Engage with national agricultural press to heighten coverage of award winners.
- Compile a database of regional press contacts to recognise award winners within their local area.
- Develop and maintain a Hall of Fame of award winners.

## GOVERNANCE ASPIRATION

**Holstein UK continues to strive to meet its charitable objective whilst adapting to the evolving dairy and agricultural industries.**

### OBJECTIVE

1. Introduce a five year strategic plan for the Charity which incorporates the subsidiary companies.
2. Meet Holstein UK's charitable objective through consultation with stakeholders (members).
3. Have robust procedures in place for all processes.
4. Meet the requirements of new and existing relevant legislation.

### ACTION

- Ensure governance of the Charity meets legislation, following Charity Commission guidelines and representing stakeholders without discrimination.
- Ensure Trustees continue to represent the Society and members within their elected region, acting as a voice for members and communicating developments at Society level.
- Ensure the Board of Trustees meets the Charity Commission guidelines, rules and regulations.
- Ensure nominated Trustees receive training before joining the Board.
- Ensure the Chair of the Board continues to act as the direct communication point between the Trustees and CEO.
- Ensure Trustees continue to be responsible for short and long term strategy.
- Ensure management remains responsible for all operational activity.
- Ensure Trustee procedures follow the Articles of Association, which will be reviewed annually prior to the AGM.
- Revise the strategic plan and amend, where necessary, every three years.

## OPERATIONS ASPIRATION

**Holstein UK is operated using maximum efficiency.**

### OBJECTIVE

1. Work efficiently to enable members to gain the maximum benefit.
2. Ensure management and processes are relevant and meet the requirements of members.
3. Make the appropriate investments in IT and equipment, to give maximum benefit to the membership.
4. Ensure operational processes are flexible to meet future developments.

### ACTION

- Ensure that the office facilities and employment terms meet legislation.
- Invest in current and new employees by introducing personal development plans.
- Ensure future Group office facilities encourage retention of experienced staff.
- Attract skilled individuals to employment within Holstein UK.
- Keep employees' knowledge up to date with industry and member needs.
- Introduce new processes to meet member needs following annual reviews.
- Annually review and update the Membership Handbook.
- Drive coordination and consistency between Holstein UK Group departments.
- Continue to build on the integrity of the Herd Book, with an emphasis on traceability.
- Develop a resource for the membership to provide advice when in times of industry adversity, such as disease outbreaks or anti dairy campaigns.
- Ensure Group core services remain as the first priority, whilst looking for opportunities that will directly or indirectly benefit members.

## QUALITY ASPIRATION

**Holstein UK Group data is proven, independent and recognised as first class.**

### OBJECTIVE

1. Have accreditations in place from external bodies to give confidence in data collection and distribution.
2. Have consistent procedures.
3. Ensure full confidence in data handling, storage and reporting.

### ACTION

- Follow guidelines and recommendations for ISO:17025 (UKAS) for all appropriate services.
- Participate in International Committee of Animal Recording (ICAR) accreditation schemes.
- Partake in external audits from ring testing with like minded organisations, both formally and informally.
- Conform to UK and international legislation.
- Review domestic and international procedures to view opportunities for internal improvement.
- Document all processes to ensure services and/or products are delivered consistently every time.
- Ensure security of systems.

## MEMBER DEVELOPMENT ASPIRATION

**Leaders within the dairy industry have benefited from being members of Holstein Young Breeders (HYB).**

### OBJECTIVE

1. Ensure HYB is seen as an educational organisation.
2. Ensure HYB members experience a range of dairy related operations.
3. Use competitions to improve knowledge whilst encouraging new participation.
4. Include a networking element in events which builds individual connections.
5. Ensure HYB activities broaden knowledge and skills that prove useful in career development.

### ACTION

- Form partnerships with agricultural colleges to create opportunities to speak to dairy students.
- Widen areas of interest within HYB to attract non Holstein UK family members.
- Create awards in partnership with external bodies.
- Encourage exchange programs nationally and internationally.
- Review and, if necessary, introduce competitions that encourage all skill levels to participate.
- Expand awards available to incorporate all elements of the dairy industry.
- Introduce public speaking training and opportunities.
- Promote the benefits of Dairy Pro training to HYB members.
- Register Holstein UK and HYB events and activities with Dairy Pro to add value for members.
- Structure mentoring schemes between senior and HYB members.
- Introduce online competitions and awards to give maximum return on investment.

### d. Volunteers

Holstein UK does not use volunteers to achieve its objectives.

### e. Main activities undertaken to further the Charity's purposes for the public benefit

In setting out our aims and objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on the advancement of animal welfare, the advancement of environmental protection or improvement and the advancement of education, and fee charging. The Charity aims to increase the efficiency of dairy cattle, specifically Holstein and British Friesian breeds, in a sustainable manner consistent with the advancement of animal welfare and environmental protection.

Membership of the Charity is available not only to those whose interests are in the husbandry of Holstein and British Friesian cattle but the wider public. Within the categories of membership there is a junior section for those aged up to 27 years of age with similar interests to those above and again this section is not restricted. The Charity also offers a reduced associate membership for those who wish to maintain a communication with the Charity. The Trustees do not consider the membership fees for the above categories restrictive. Trustees are levied with the same fees for services as those incurred by other members of the Charity.

# STRATEGIC REPORT

## ACHIEVEMENTS AND PERFORMANCE

### a. Main achievements of the Charity

The principal activity of the Charity is that of the promotion of the Holstein and British Friesian breeds and the recording and maintenance of pedigree records for the benefit of Charity members.

The Charity has continued to undertake registrations of animals, registering 196,048 full pedigree females during the full year January to December 2022 (2021: 197,221). The Charity has established processes for its members, one of which authenticates parentage via DNA samples. The Charity continues to explore technological advances in the collection and analysis of genetic, genomic and phenotypic data and is working with other industry bodies to further improve the accuracy of such measurements. The Charity has an on going project to monitor the total number of tests undertaken to ensure acceptable compliance levels.

During the full year January to December 2022, the Charity undertook 117,891 (2021: 109,951) inspections of Holstein and British Friesian cattle which were assessed on 27 varying traits. The results of these assessments were published in the Charity's Journal and are freely available to view on the Charity's website. The traits collected are also used for research purposes. The assessments are acknowledged by the industry for independent use in the valuation of animals.

The Charity's trading subsidiaries are actively involved in disease testing and record a number of on farm events both on a compulsory and optional basis. During the reporting period significant investment has again been made to enhance the capabilities for widening the number and variety of tests available, and UKAS accreditation has been obtained for a number of these tests. The Charity encourages, wherever possible, the inclusion of regular health and welfare programme for monitoring of the herd.

The Charity is committed to hosting events that share knowledge throughout the dairy industry. UK Dairy Day, Premier Herd Open Day, HYB Weekend Rally and The All Breeds All Britain Calf Show were held in 2022 and there was the first in-person Holstein UK Celebration & AGM in Scotland since 2019. The Group also continued to facilitate online events in 2022 which enabled us to continue engaging with members to provide educational, networking and marketing opportunities.

The Charity has made representations and responded on a number of matters relating to the dairy industry within national and devolved Governments and other bodies. Information is available to the wider community via the Charity's website [www.holstein-uk.org](http://www.holstein-uk.org) and via its trading subsidiaries [www.thecis.co.uk](http://www.thecis.co.uk) and [www.nbdc.uk](http://www.nbdc.uk).

### b. Fundraising activities and income generation

Holstein UK does not undertake fundraising activities.

### c. Investment policy and performance

Under the Memorandum and Articles of Association, the Charity has wide powers to invest at the discretion of the trustees. The investment policy is designed to support the reserves policy. The Charity seeks to adopt a cautious, prudent and well diversified investment stance to balance potential returns with appropriate levels of risk.

The Charity's aim is to ensure that reserves maintain a real value across an investment cycle. Close Brothers Asset Management managed the reserves on a discretionary basis. The portfolio was invested in a range of securities in line with levels agreed by the Charity.

The Charity ensures that performance is managed against appropriate benchmarks. The income from investments for the year was £44,593 (2021: £31,793) but unfortunately due to global economic challenges investment losses totalled £179,688 (2021: £172,670 gain). Across the asset classes, returns were generally in line with benchmarks. A review of the policy is conducted every year.

## FINANCIAL REVIEW

### a. Going concern

The Trustees have considered the ongoing financial viability of the Charity and the appropriateness of preparing the accounts on a going concern basis. With the positive trading results delivered, ongoing provision of services, positive year end cash balances and banking support in place, the trustees are confident that the Charity can continue to operate in the future.

### b. Reserves policy

Our reserves policy is set to ensure our work is protected from the risk of disruption at short notice due to a lack of funds, whilst at the same time ensuring we do not retain income for longer than required.

It is the policy of the Charity to maintain unrestricted funds, which are free reserves of the Charity. The purpose of maintaining unrestricted funds is to cover:

- administration and support costs for the Charity
- designated projects to be undertaken when appropriate
- sufficient promotion of its objectives

The Group's reserves at the end of 2022 were £17,839,839 (2021: £16,767,093). A substantial proportion of the reserves are held in property and assets other than 'managed cash and investments'.

At the reporting date, assets represented by Net Current Assets were £1,424,470 (2021: £2,587,342), representing on average 7 (2021: 13) weeks running costs. Assets which could be reasonably realised were £6,699,371 (2021: £8,732,021), representing 61% (2021: 83%) of annual running costs. The Trustees consider it prudent that unrestricted reserves should be sufficient:

- to avoid the necessity of realising fixed assets held for Charity's use
- to cover one year's administration and support costs

The reserves policy is kept under periodic review and reserves levels will be adjusted as perceptions of risk and other factors change.

### c. Principal risks and uncertainties

The Board have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that necessary recommendations can be made to reduce these risks. The Board also considers non financial risks arising from fire, and health and safety aspects of the employment of its staff. The finance committee regularly reviews the risk register, discussing the risks faced by the Charity and the mitigating actions taken to manage these risks. The risk management approach is reviewed annually by the Board.





Holstein UK Celebration

The main risk to the Charity's financial position would be CIS ceasing to gift aid sufficient profits to enable Holstein UK to achieve its charitable objectives. This is a risk which is reviewed by the Trustees at the quarterly board meetings. The services delivered by CIS are constantly reviewed with new products developed to meet changing needs and protect market share where appropriate. Spend within Holstein UK is also under constant review to ensure maximum return is received for each pound expended.

#### **d. Principal funding**

The annual accounts presented are the report on the year to December 2022.

The Charity's principal funding sources are: voluntary income (membership, registration and classification income contribute mainly to this), investment income (through properties held by the Charity for rent and return on shares via dividends) and profit from trading subsidiaries which undertake various activities including health testing, milk recording, genomic testing, type classification and other farm events.

Group consolidated income for the year totalled £11,956,458 (2021: £11,747,182). On a like for like comparative basis, income is up 1.8%.

The budget set for 2023 will enable the Society to operate within its resources whilst still delivering the high quality services members deserve.

National Bovine Data Centre Ltd was set up and began trading in 2017. In 2022 a loss of £141,408 was recorded (£70,910 profit in

2021). NBDC did not receive any Government support in 2022 (2021: £70,987, Job Retention Scheme). The Trustees implemented a price increase for Type Classification Service visits from 1st November 2022 to reduce losses going forward.

The Cattle Information Service Ltd (CIS) continued to contribute to the Holstein UK Group with surpluses of £1,080,535 (2021: £1,332,889). The surpluses are Gift Aided to the Charity in the subsequent year.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **a. Constitution**

Holstein UK (the "Charity") is a Company limited by guarantee (not having a share capital) and is a registered Charity. It is governed by a Board of Trustees (the Board). The Board sets strategic direction and ensures the Charity achieves its objectives. It oversees governance and is responsible for upholding the Charity's values. It is supported by four committees (Finance (incl. Scotsbridge House Sale), Science, Show & Sale and Operations) to which it delegates certain authorities. The day to day running of the Charity is the responsibility of the Executive Team.

#### **b. Members**

The Charity's constitution allows for the appointment of members and has no restriction on member numbers. They are entitled to attend all general meetings, including the AGM, where they receive the Annual Report and accounts and elect or re-elect Trustees. Regular contact is maintained with members, through *The Journal* which is produced four times a year.

There are currently 5,533 members, of which 15 are Trustees. Each member guarantees to contribute up to one pound sterling (£1) to the charity's debts, liabilities and costs in the event of the Charity being wound up and for one year after ceasing to be a member.

### **c. Organisational structure and decision-making policies**

#### **The Board**

The Board oversees a robust governance framework. The Charity's governance complies with the Code for the Voluntary and Community Sector endorsed by the Charity Commission, and with other best practice guidelines. It has agreed a schedule of matters reserved to the Board which includes approval of annual budgets. It delegates operational responsibility for the charity's activities to the Chief Executive and Executive Team and provides advice, guidance and support on an on-going basis. Fifteen Trustees comprised the Board at 04 May 2023. All Trustees are members of the Charity and Directors of the Charitable Company. During the reporting period there were 6 (2021: 4) Trustees' meetings, 5 of which were held in person, which achieved a 90.2% (2021: 88.4%) attendance; this excludes the Annual General Meeting. The individual Trustees' percentage attendance for the reporting period was as follows: J Baillie 100%, W Gregg 83.3%, J Hartley 83.3%, S Hill 100%, C Jones 100%, D Jones 100%, D Lawson 100%, S Pirie 100%, P Prior 33.3%, M Smale 100%, R Thomas 100%, M Winter 83.3%, J Whittaker 100%, W Williams 83.3%, A Williamson 100%, B Yates 100%, D Yates 66.7%. The amount of expenses reimbursed to trustees during the reporting period was £16,511 (2021: £10,358).

#### **Committees**

All Trustees serve on at least one committee. The committees are delegated specific responsibilities by the Trustees. They provide counsel, expertise and support to the Executive Team. Committees undertake an evaluation of their own performance on a periodic basis and use any feedback to support improvements in the overall governance of the Charity.

#### **Executive Team**

The Executive Team is responsible for the day to day running of the Charity under authority delegated by the Board. It proposes to the Board where the Charity should invest its time, money and expertise. It reviews with the Board any changes to strategy on an annual basis. It proposes an annual operating budget to the finance committee and the Board for approval and monitors financial performance accordingly. It recommends any changes to budget in light of performance to date. The Executive Team comprises of the following key employees: Chief Executive Officer, Chief Finance Officer (Head of Finance from January 2023), Head of Events & Marketing, Head of IT, Head of Product Development (resigned 25.11.2023) and Head of NBDC & Breed Development, and for CIS, Head of Field Services and Head of Laboratory Operations.

### **d. Policies adopted for the induction and training of Trustees**

The Trustees offer a wide range of skills and experience essential to the good governance of the Charity. New Trustees undergo an orientation day to brief them on their legal obligations under Charity and Company law, the content of the Memorandum and Articles of Association, the committees and decision making process, the business plan and recent financial performance of the charity. During the induction day, Trustees meet key employees of the Charity.

Trustees are encouraged to attend appropriate external training events where these will facilitate the performance of their role.

### **e. Pay policy for key management personnel**

Key management staff do not have annual salary reviews, however, annual cost of living pay increases are given to key management staff at the same inflationary rate as for all other staff. The salaries awarded to new key management staff are benchmarked against the market to ensure appropriately qualified staff are attracted to the organisation.

### **f. Related party relationships**

The Charity works with other organisations to further its objectives. In 2019, the Group won two contracts from AHDB to increase testing with delivery continuing during 2022.

### **g. Financial risk management**

The Trustees have assessed the major risks to which the Group and the Charity are exposed, in particular those related to the operations and finances of the group and the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

### **Plans for future periods**

The Charity will continue to promote and encourage the breeding of Holstein and British Friesian cattle within the UK dairy herd. Where appropriate, links with other industry bodies will continue to achieve the Charity's objectives. Centralising information and data for the beneficial improvement of the dairy breeds and the promotion of holistic management systems for dairy cattle will be a key objective.

The expansion of health and welfare testing within the UK and collection of on farm data for research purposes to improve the Charity's services to its members remains a key feature of the Trustees' plans.

The Charity will undertake research into future trends in dairy cattle breeding and management and will disseminate these results to its members and the wider industry. The Charity will maintain its position as the pre-eminent source of independent dairy cattle breeding information in Europe.

The Charity is very aware of the issues facing the dairy industry and the need to develop the next generation of pedigree farmers, fully equipped to be successful in a rapidly changing industry. The Charity

will continue to invest in its Holstein Young Breeders scheme to ensure that future dairy farmers will continue to enjoy success.

At the AGM in June 2018, the Charity launched its 2018-2022 Strategy which incorporated feedback from members. The strategy was updated during 2022 with a new strategy for the period 2023-27 developed.

### **Members' liability**

The Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up.

### **Engagement with employees and employment of the disabled**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Group and the Charity carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Group and the Charity has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Group and the Charity's equal opportunities policy, the Group and the Charity has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Charity's offices.

### **Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic 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 Trustees to prepare financial statements for each financial period. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are the trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable Group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

### **AUDITORS**

The auditors, WR Partners, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Michael Smale (Chairman)

**Date:** 04 May 2023



# REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF HOLSTEIN UK

## OPINION

We have audited the financial statements of Holstein UK (the 'parent charitable company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2022 and of the Group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## OPINION 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have 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 Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, 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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We reviewed the susceptibility of the Charity's financial statements to material misstatement and
- identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the Charity's regulatory environment to ensure we could conclude that it had acted in accordance with the framework

relevant to the Charity and its environment and identify any instances of non-compliance.

- We also assessed the Charity's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and Charity awareness to carry out our work to the required standard.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

## USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Malpass (Senior Statutory Auditor)

Date: ~~31 May 2022~~

11 May 2023

for and on behalf of

WR Partners  
Chartered Accountants and Statutory Auditors  
Belmont House  
Shrewsbury Business Park  
Shrewsbury  
Shropshire SY2 6LG

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>INCOME FROM:</b>				
Donations	4	26,103	26,103	98,535
Charitable activities	5	2,852,130	2,852,130	2,704,692
Other trading activities	6	8,942,832	8,942,832	8,829,129
Investments	7	135,393	135,393	114,826
<b>Total income</b>		<b>11,956,458</b>	<b>11,956,458</b>	<b>11,747,182</b>
<b>EXPENDITURE ON:</b>				
Raising funds	8	7,797,755	7,797,755	7,539,500
Charitable activities	9	3,188,890	3,188,890	3,038,710
<b>Total expenditure</b>		<b>10,986,645</b>	<b>10,986,645</b>	<b>10,578,210</b>
Net (losses)/gains on investments		(179,688)	(179,688)	172,670
<b>Net income before taxation</b>		<b>790,125</b>	<b>790,125</b>	<b>1,341,642</b>
Taxation		(42,379)	(42,379)	42,379
Net movement in funds before other recognised gains		<b>747,746</b>	<b>747,746</b>	<b>1,384,022</b>
<b>OTHER RECOGNISED GAINS:</b>				
Gains on revaluation of fixed assets		325,000	325,000	-
<b>Net movement in funds</b>		<b>1,072,746</b>	<b>1,072,746</b>	<b>1,384,022</b>
<b>RECONCILIATION OF FUNDS:</b>				
Total funds brought forward		16,767,092	16,767,092	15,383,071
Net movement in funds		1,072,746	1,072,746	1,384,021
<b>Total funds carried forward</b>		<b>17,839,838</b>	<b>17,839,838</b>	<b>16,767,093</b>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 38 form part of these financial statements.



# CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Intangible assets	14	68,908	158,077
Tangible assets	15	12,379,309	10,224,831
Investments	17	1,642,152	1,796,843
Investment property	16	2,325,000	2,000,000
		<b>16,415,369</b>	<b>14,179,751</b>
<b>CURRENT ASSETS</b>			
Stocks	19	107,382	136,775
Debtors	20	1,753,138	2,496,878
Cash at bank and in hand		871,699	2,301,525
		<b>2,732,219</b>	<b>4,935,178</b>
Creditors: amounts falling due within one year	21	(1,307,749)	(2,347,836)
<b>Net current assets</b>		<b>1,424,470</b>	<b>2,587,342</b>
<b>Total net assets</b>		<b>17,839,839</b>	<b>16,767,093</b>
<b>CHARITY FUNDS</b>			
Restricted funds	22	-	-
Unrestricted funds	22	17,839,839	16,767,093
<b>Total funds</b>		<b>17,839,839</b>	<b>16,767,093</b>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**Michael Smale (Chairman)**

**Date:** 04 May 2023

The notes on pages 24 to 38 form part of these financial statements.

# CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2022

	Note	2022 £	As restated 2021 £
<b>FIXED ASSETS</b>			
Intangible assets	14	68,908	158,077
Tangible assets	15	10,676,647	9,740,183
Investments	17	2,408,137	2,562,828
Investment property	16	2,325,000	2,000,000
		<b>15,478,692</b>	<b>14,461,088</b>
<b>CURRENT ASSETS</b>			
Debtors	20	2,285,166	1,292,716
Cash at bank and in hand		329,875	1,522,536
		<b>2,615,041</b>	<b>2,815,252</b>
Creditors: amounts falling due within one year	21	(1,182,251)	(1,361,827)
<b>Net current assets</b>		<b>1,432,790</b>	<b>1,453,425</b>
<b>Total net assets</b>		<b>16,911,482</b>	<b>15,914,513</b>
<b>CHARITY FUNDS</b>			
Restricted funds	22	-	-
Unrestricted funds	22	16,911,482	15,914,513
<b>Total funds</b>		<b>16,911,482</b>	<b>15,914,513</b>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**Michael Smale (Chairman)**

**Date:** 04 May 2023

The notes on pages 24 to 38 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash used in operating activities	24	767,513	1,936,496
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends, interests and rents from investments		135,393	114,826
Proceeds from the sale of tangible fixed assets		45,000	-
Purchase of tangible fixed assets		(2,349,091)	(1,771,775)
Disposal of investments		156,390	126,422
Purchase of investments		(185,031)	(131,214)
<b>Net cash (used in)/provided by investing activities</b>		<b>(2,197,339)</b>	<b>(1,661,741)</b>
Change in cash and cash equivalents in the year		(1,429,826)	274,755
Cash and cash equivalents at the beginning of the year		2,301,525	2,026,770
<b>Cash and cash equivalents at the end of the year</b>	25	<b>871,699</b>	<b>2,301,525</b>

The notes on pages 34 to 60 form part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2022

### 1. GENERAL INFORMATION

Holstein UK is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office and operating address is Scope House, Hotonwood 33, Telford, Shropshire TF1 7EX. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

### 2. ACCOUNTING POLICIES

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the second edition Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Holstein UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

#### 2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("The Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements. The net movement in funds for the charity was a surplus of £996,969 (2021: surplus of £1,046,905).

#### 2.3 Going concern

After making enquires, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

#### 2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

#### 2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central



staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

## 2.6 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Consolidated Statement of Financial Activities.

## 2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

## 2.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated Statement of Financial Activities.

## 2.9 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## 2.10 Intangible assets and amortisation

Intangible assets of a capital nature are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Development expenditure -20%

## 2.11 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a Charity may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Consolidated Statement of Financial Activities, with a separate revaluation reserve being shown in the Statement of funds note.

Investment property rented to other group entities and accounted for under the cost model is stated at historic cost less accumulated depreciation and any accumulated impairment losses.

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

Depreciation is provided on the following bases:

- Freehold property - not depreciated
- Motor vehicles - 3 to 4 years
- Office equipment - 2 to 10 years
- Computer equipment - 2 to 5 years
- Promotional equipment - not depreciated

## 2.12 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

### 2.13 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

### 2.14 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 2.15 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 three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.16 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

### 2.17 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 2.18 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

### 2.19 Pensions

The Group operates an occupational pension scheme providing money purchase benefits on a defined contribution basis. Employees who joined the money purchase pension scheme contract directly with the pension company, Now Pensions Ltd. Contributions by the Group and employees are determined by the scheme rules. The Group acts as an agent in collecting and paying over employee pension contributions. Once the contributions have been paid, the Group, as employer, has no further obligations.

From April 2015, under the Pensions Act 2008, the Group must put

certain staff into a pension scheme and contribute towards it. This is called automatic enrolment. To comply with automatic enrolment laws, the Group signed a participation agreement with a pension provider by which staff become members on an independently administered pension plan. The Group and staff make contributions as specified in the plan.

At the reporting date contributions outstanding amounted to £Nil (2021: £Nil).

### 2.20 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Investment income, gains and losses are allocated to unrestricted funds.

## 3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

### Critical accounting estimates and assumptions

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Fixed asset properties are included at valuation. Formal revaluations for all properties except Scotsbridge House took place in the year. Scotsbridge House is included at Trustee's valuation, informed by the negotiations in relation to its planned sale.

## 4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2022 £	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Gift Aid	26,103	<b>26,103</b>	26,745
Grants	-	-	71,790
Total 2022	26,103	<b>26,103</b>	98,535
<i>Total 2021</i>	<i>98,535</i>	<b><i>98,535</i></b>	

## 5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>INCOME FROM:</b>			
Member subscription fees	290,275	<b>290,275</b>	294,401
Herd Book entry fees	1,710,398	<b>1,710,398</b>	1,635,633
Herd Book services and sundry income	263,871	<b>263,871</b>	275,750
Journal advertising	23,527	<b>23,527</b>	29,451
Livestock events	425,140	<b>425,140</b>	291,957
Other Society services	1,290	<b>1,290</b>	5,629
Catalogue and herd brochure services	1,610	<b>1,610</b>	579
Breeder awards	92,723	<b>92,723</b>	117,457
Re-issue, transfer fees and fines	43,296	<b>43,296</b>	53,835
<b>Total 2022</b>	2,852,130	<b>2,852,130</b>	2,704,692
<i>Total 2021</i>	2,704,692	<b>2,704,692</b>	

## 6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>INCOME FROM NON CHARITABLE TRADING ACTIVITIES</b>			
The Cattle Information Service Limited	7,549,889	<b>7,549,889</b>	7,445,220
National Bovine Data Centre Limited	1,392,943	<b>1,392,943</b>	1,383,909
<b>Total 2022</b>	8,942,832	<b>8,942,832</b>	8,829,129
<i>Total 2021</i>	8,829,129	8,829,129	

## 7. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rents receivable	90,800	<b>90,800</b>	83,033
Dividends from listed investments	44,593	<b>44,593</b>	31,793
<b>Total 2022</b>	135,393	<b>135,393</b>	114,826
<i>Total 2021</i>	114,826	114,826	

## 8. EXPENDITURE ON RAISING FUNDS

### Cattle Information Services Limited and National Bovine Data Centre

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Cost of sales	3,798,695	<b>3,798,695</b>	3,678,649
Admin expenses	840,958	<b>840,958</b>	904,499
Admin staff costs	3,008,211	<b>3,008,211</b>	2,782,808
Depreciation	149,891	<b>149,891</b>	173,544
<b>Total 2022</b>	<b>7,797,755</b>	<b>7,797,755</b>	<b>7,539,500</b>
<i>Total 2021</i>	<i>7,539,500</i>	<i>7,539,500</i>	

## 9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

### Summary by fund type

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Holstein Society Services	3,188,890	<b>3,188,890</b>	3,038,710
<b>Total 2022</b>	<b>3,188,890</b>	<b>3,188,890</b>	<b>3,038,710</b>
<i>Total 2021</i>	<i>3,038,710</i>	<i>3,038,710</i>	

## 10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

### Summary by fund type

	Activities undertaken directly 2022 £	Total funds 2022 £	Total funds 2021 £
Holstein Society Services	3,188,890	<b>3,188,890</b>	3,038,710
<b>Total 2021</b>	<b>3,188,890</b>	<b>3,188,890</b>	<b>3,038,710</b>

### Analysis of direct costs

	2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	1,090,734	<b>1,090,734</b>	1,199,660
Depreciation	101,641	<b>101,641</b>	156,494
Research and business development	64,610	<b>64,610</b>	43,809
Testing parentage	206,522	<b>206,522</b>	191,116
Livestock shows	646,972	<b>646,972</b>	531,262
Journal printing and circulation	117,756	<b>117,756</b>	117,175



## 10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

### Analysis of direct costs

Facilities management and utilities	178,747	<b>178,747</b>	161,426
Telephone	32,663	<b>32,663</b>	39,238
Postage and stationery	88,448	<b>88,448</b>	82,525
Computer maintenance	202,050	<b>202,050</b>	186,041
Field staff	43,013	<b>43,013</b>	28,751
Audit fees	16,050	<b>16,050</b>	16,050
Governance costs	38,130	<b>38,130</b>	21,369
Bank charges	12,581	<b>12,581</b>	14,924
Marketing and publicity	45,517	<b>45,517</b>	18,045
Professional fees and charges	285,293	<b>285,293</b>	210,842
Hire of equipment and vehicles	18,163	<b>18,163</b>	19,983
<b>Total 2022</b>	3,188,890	<b>3,188,890</b>	3,038,710
<i>Total 2021</i>	3,038,710	3,038,710	

## 11. AUDITORS' REMUNERATION

	£	<b>2022</b> £	2021
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts		<b>17,200</b>	16,050
Fees payable to the Charity's auditor in respect of: Audit of subsidiary accounts		<b>15,150</b>	13,950

## 12. STAFF COSTS

	<b>Group</b> <b>2022</b> £	<b>Group</b> <b>2021</b> £	<b>Charity</b> <b>2022</b> £	<b>Charity</b> <b>2021</b> £
Wages and salaries	<b>3,448,728</b>	3,348,813	<b>880,897</b>	970,528
Social security costs	<b>397,304</b>	370,066	<b>126,678</b>	131,872
Pension costs	<b>252,913</b>	263,589	<b>83,159</b>	97,260
	<b>4,098,945</b>	3,982,468	<b>1,090,734</b>	1,199,660

## 12. STAFF COSTS (CONTINUED)

The average number of persons employed by the Charity during the year was as follows:

	<b>Group 2022 No.</b>	<b>Group 2021 No.</b>	<b>Charity 2022 No.</b>	<b>Charity 2021 No.</b>
Employees (including casual and part-time staff)	<b>117</b>	115	<b>36</b>	38

Included in the average number of employees are 8 (2021: 10) employees who were not employed on a full time basis throughout the reporting period.

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>Group 2022 No.</b>	<i>Group 2021 No.</i>
In the band £60,001 - £70,000	1	-
In the band £80,001 - £90,000	-	1
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	-	1

The key management personnel of the Charitable Company comprise of the Chief Executive Officer and the Chief Financial Officer. The total employee benefits (including pension contributions and employers national insurance) amounted to £183,466 (2021: £230,011).

The key management personnel of the Group comprise of those listed on page 16. The total employee benefits of those listed on page 1 amounted to £562,726 (2021: £580,296).

## 13. TRUSTEES' REMUNERATION AND EXPENSES

During the year ended 31 December 2022, expenses totalling £16,511 were reimbursed or paid directly to 11 Trustees (2021 - £10,358 to 12 Trustees). These expenses relate to the payment or reimbursement of travel and subsistence in relation to attendance at meetings of the Trustees, at meetings of Trustees of subsidiary companies and other management activities.

Holstein UK trustees do not receive remuneration for their time.

## 14. INTANGIBLE ASSETS

### Group and Charity

Website /  
application  
development.  
costs £

#### Cost

At 1 January 2022	<b>1,080,827</b>
At 31 December 2022	<b>1,080,827</b>

#### Amortisation

At 1 January 2022	<b>922,750</b>
Charge for the year	<b>89,169</b>
At 31 December 2022	<b>1,011,919</b>

#### Net book value

At 31 December 2022	<b>68,908</b>
At 31 December 2021	<b>158,077</b>

## 15. TANGIBLE FIXED ASSETS

### Group

	Freehold property £	Plant and machinery £	Promotional equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2022	9,683,033	3,334,474	16,783	13,034,290
Additions	855,058	1,494,033	-	2,349,091
Disposals	-	(215,000)	-	(215,000)
At 31 December 2022	10,538,091	4,613,507	16,783	15,168,381
<b>Depreciation</b>				
At 1 January 2022	30,494	2,769,840	9,125	2,809,459
Charge for the year	-	162,363	-	162,363
On disposals	-	(182,750)	-	(182,750)
At 31 December 2022	30,494	2,749,453	9,125	2,789,872
<b>Net book value</b>				
At 31 December 2022	<b>10,507,597</b>	<b>1,864,054</b>	<b>7,658</b>	<b>12,379,309</b>
At 31 December 2021	9,652,539	564,634	7,658	10,224,831

### Charity

	Freehold property £	Office equipment £	Computer equipment £	Promotional equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2022	9,683,033	502,416	137,067	16,783	10,339,299
Additions	855,058	84,882	8,996	-	948,936
At 31 December 2022	10,538,091	587,298	146,063	16,783	11,288,235
<b>Depreciation</b>					
At 1 January 2022	30,494	430,429	129,068	9,125	599,116
Charge for the year	-	6,853	5,619	-	12,472
At 31 December 2022	30,494	437,282	134,687	9,125	611,588
<b>Net book value</b>					
At 31 December 2022	<b>10,507,597</b>	<b>150,016</b>	<b>11,376</b>	<b>7,658</b>	<b>10,676,647</b>
At 31 December 2021	9,652,539	71,987	7,999	7,658	9,740,183

### The Group and Charity

The freehold land and buildings at Scotsbridge House and Speir House were revalued at £7,565,000 and £725,000 respectively. The Scotsbridge House valuation is based on Trustees' valuation, informed by negotiations in relation to its planned sale. Speir House valuation was undertaken by Andrew Dixon and Company, Chartered Surveyors, in August 2022. The historical cost of the properties were £352,948 and £762,386 respectively. Additions made after the revaluation have been included at cost. The Trustees have agreed to sell Scotsbridge House and a sale is anticipated in 2023.

### Charity

The Charity has a legal charge in place with Barclays Bank PLC, secured against the land and buildings held at Scotsbridge House, Rickmansworth, Hertfordshire.

## 16. INVESTMENT PROPERTY

Group	Freehold investment property £
<b>Valuation</b>	
At 1 January 2022	2,000,000
Surplus on revaluation	325,000
At 31 December 2022	<b>2,325,000</b>

Charity	Freehold investment property £
<b>Valuation</b>	
At 1 January 2022	2,000,000
Surplus on revaluation	325,000
At 31 December 2022	<b>2,325,000</b>

### The Group and Charity

The investment properties residing at the Scotsbridge House site were revalued at £2,325,000 based upon valuations produced by Gibbs Gillespie Estate Agents, Surveyors and Valuers on 16 January 2019 and updated at 1 March 2023. The historical cost of the properties was £411,295 (2021: £411,295).

## 17. FIXED ASSET INVESTMENTS

Group	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2022	<b>1,796,843</b>
Additions	185,031
Disposals	(156,390)
Revaluations	(183,332)
<b>At 31 December 2022</b>	<b>1,642,152</b>
<b>Net book value</b>	
<b>At 31 December 2022</b>	<b>1,642,152</b>
At 31 December 2021	1,796,843



## 17. FIXED ASSET INVESTMENTS (CONTINUED)

Charity	Investments in subsidiary companies £	Listed investments £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	765,985	1,796,843	2,562,828
Additions	-	185,031	185,031
Disposals	-	(156,390)	(156,390)
Revaluations	-	(183,332)	(183,332)
<b>At 31 December 2022</b>	<b>765,985</b>	<b>1,642,152</b>	<b>2,408,137</b>
<b>Net book value</b>			
<b>At 31 December 2022</b>	<b>765,985</b>	<b>1,642,152</b>	<b>2,408,137</b>
At 31 December 2021	765,985	1,796,843	2,562,828

## 18. ANALYSIS OF LISTED INVESTMENTS

	2022 £	2021 £
Corporate bonds - fixed interest	121,777	177,251
Equities - listed UK	420,265	435,009
Equities - listed international	672,346	755,064
Property and alternatives	427,764	429,519
	<b>1,642,152</b>	<b>1,796,843</b>

## 19. STOCKS

	Group 2022 £	Group 2021 £
Laboratory consumables	107,382	136,775

## 20. DEBTORS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Due within one year				
Trade debtors	1,540,425	1,397,944	607,149	591,756
Amounts owed by Group undertakings	-	-	1,527,843	586,595
Other debtors	14,955	10,261	11,301	10,261
Prepayments and accrued income	197,758	1,046,294	138,873	104,104
Deferred Taxation	-	42,379	-	-
	<b>1,753,138</b>	<b>2,496,878</b>	<b>2,285,166</b>	<b>1,292,716</b>

## 21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 as restated £
Trade creditors	783,493	2,007,453	281,601	166,731
Amounts owed to Group undertakings	-	-	756,623	994,019
Other taxation and social security	343,978	125,256	49,809	74,194
Other creditors	70,531	69,927	21,417	19,957
Accruals and deferred income	109,747	145,200	72,801	106,926
	1,307,749	2,347,836	1,182,251	1,361,827

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 as restated £
Deferred income at 1 January 2022	8,357	20,343	8,357	20,343
Resources deferred during the year	2,319	8,357	2,319	8,357
Amounts released from previous periods	(8,357)	(20,343)	(8,357)	(20,343)
	2,319	8,357	2,319	8,357

### CHARITY

The Charity has a legal charge in place with Barclays Bank PLC, secured against the land and buildings held at Scotsbridge House, Rickmansworth, Hertfordshire.

The Charity comparatives have been restated to correctly reflect the gift aid position.

## 22. STATEMENT OF FUNDS

### Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Taxation £	Gains/ Losses £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>						
Free Reserves	5,425,017	3,013,626	(3,188,890)	-	145,312	5,395,065
Non-Charitable Subsidiaries	3,743,716	8,942,832	(7,797,755)	(42,379)	-	4,846,414
Revaluation reserve	7,598,360	-	-	-	-	7,598,360
	16,767,093	11,956,458	(10,986,645)	(42,379)	145,312	17,839,839

### Statement of funds - prior year

	Balance at 1 January 2022 £	Income £	Expenditure £	Taxation £	Gains/ Losses £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>						
Free Reserves	5,444,795	2,846,263	(3,038,711)	-	172,670	5,425,017
Non-Charitable Subsidiaries	2,339,917	8,900,919	(7,539,499)	42,379	-	3,743,716
Revaluation reserve	7,598,360	-	-	-	-	7,598,360
	15,383,072	11,747,182	(10,578,210)	42,379	172,670	16,767,093

## 23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

### Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	12,379,309	12,379,309
Intangible fixed assets	68,908	68,908
Fixed asset investments	1,642,152	1,642,152
Investment property	2,325,000	2,325,000
Current assets	2,732,219	2,732,219
Creditors due within one year	(1,307,749)	(1,307,749)
<b>Total</b>	<b>17,839,839</b>	<b>17,839,839</b>

### Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	10,224,831	10,224,831
Intangible fixed assets	158,077	158,077
Fixed asset investments	1,796,843	1,796,843
Investment property	2,000,000	2,000,000
Current assets	4,935,178	4,935,178
Creditors due within one year	(2,347,836)	(2,347,836)
<b>Total</b>	<b>16,767,093</b>	<b>16,767,093</b>

## 24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2022 £	Group 2021 £
Net income for the period (as per Statement of Financial Activities)	747,746	1,384,021
<b>Adjustments for:</b>		
Depreciation charges	162,363	179,824
Amortisation charges	89,169	150,214
Revaluation on investments	183,332	(170,796)
Dividends, interests and rents from investments	(135,393)	(114,826)
Decrease in stocks	29,393	8,530
Decrease/(increase) in debtors	743,740	(547,981)
Increase/(decrease) in creditors	(1,040,087)	1,047,510
Profit on sale of fixed assets	(12,750)	-
Net cash provided by operating activities	767,513	1,936,496

## 25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Cash in hand	<b>871,699</b>	2,301,525
Total cash and cash equivalents	<b>871,699</b>	2,301,525

## 26. ANALYSIS OF CHANGES IN NET DEBT

	<b>At 1 January 2022 £</b>	<b>Cash flows £</b>	<b>At 31 December 2022 £</b>
Cash at bank and in hand	<b>2,301,525</b>	<b>(1,429,826)</b>	<b>871,699</b>
	<b>2,301,525</b>	<b>(1,429,826)</b>	<b>871,699</b>

## 27. CAPITAL COMMITMENTS

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
Acquisition of tangible assets	<b>413,848</b>	-	<b>19,280</b>	-

## 28. PENSION COMMITMENTS

The Group operates an occupational pension scheme providing money purchase benefits on a defined contribution basis. Employees who joined the money purchase pension scheme contract directly with the pension company, Now Pensions Ltd. Contributions by the group and employees are determined by the scheme rules. The Group acts as an agent in collecting and paying over employee pension contributions. Once the contributions have been paid, the Group, as employer, has no further obligations.

### AUTOMATIC ENROLMENT

From 1 April 2015, the Charity and subsidiary, separately entered into a participation agreement with NOW: Pensions Ltd which ultimately allows the employees of the Charity and subsidiary to become members of NOW: Pensions Trust (Plan), which is a registered occupational pension scheme governed by the Trust Deed and Rules dated 29 November 2011 by which the Plan was established. NOW: Pensions Ltd is currently the Trust Manager and the Trustee of the Plan is currently NOW: Pension Trustee Ltd.

#### Plan Summary:

- is an occupational pension scheme established in the United Kingdom;
- is registered with HM Revenue and Customs under the Finance Act 2004; and
- allows for employees to be enrolled into the Plan automatically, without them needing to express any choice or provide any information on any matter.

Accordingly, the Plan is capable of acting as an automatic enrolment scheme for the purposes of the Automatic Enrolment Laws. However, in order to act as an automatic enrolment scheme, it will also need to satisfy certain contribution requirements. The charity and subsidiary will both be responsible for ensuring that those requirements are satisfied, and for giving any certificate which is required under the Automatic Enrolment Laws for that purpose.



## 29. OPERATING LEASE COMMITMENTS

At 31 December 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
Not later than 1 year	<b>107,826</b>	115,894	<b>6,519</b>	15,139
Later than 1 year and not later than 5 years	<b>112,729</b>	32,823	<b>9,852</b>	3,325
	<b>220,555</b>	148,717	<b>16,371</b>	18,464

## 30. RELATED PARTY TRANSACTIONS

- During the year, the following transactions took place between the Charity and its wholly controlled subsidiaries, The Cattle Information Service Limited (CIS), The Centre for Dairy Information Limited (CDI) and National Bovine Data Centre Limited (NBDC):
- the Charity is party to a Group registration for VAT purposes. As the representative member, the Charity is jointly and severally liable for any VAT liabilities of the subsidiary companies that are part of the same VAT registration;
- the provision of property under lease agreement renewable annually by the Charity to CIS amounted to £36,000 (2021: £36,000);
- the provision of staff by the Charity to CIS and NBDC amounted to £260,329 (2021: £262,826) and £28,625 (2021: £56,425) respectively;
- the provision of administrative costs by the Charity to CIS and NBDC amounted to £49,553 (2021: £45,194) and £8,995 (2021: £8,390) respectively;
- the transfer of Gift Aid of the trading profits of CIS to the Charity of £1,066,682 (2021: £1,332,888);
- the outstanding balances as at 31 December 2022, from the CIS to the Charity was £270,289 (2021: £177,405), and from CDI and NBDC to the Charity was £476,081 (2021: £374,220) and £24,841 (2021: £212,375) respectively;
- the outstanding balance from CDI and NBDC are secured over the respective Company's assets, and is repayable on demand;
- the provision of laboratory testing services by CIS to the Charity is received on the same terms as they are received by other beneficiaries of the Charity.

## 31. PRINCIPAL SUBSIDIARIES

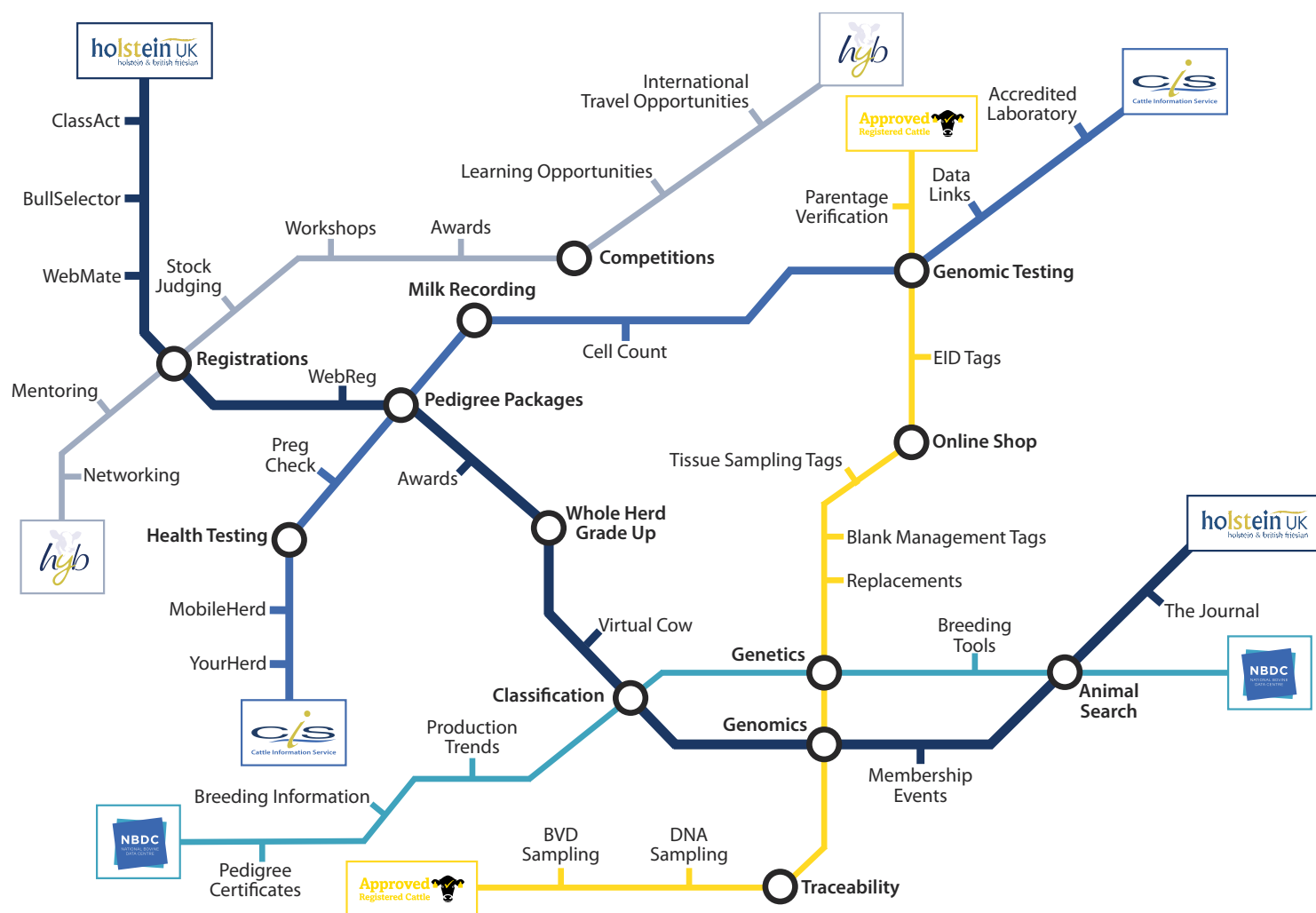
The following were subsidiary undertakings of the Charity:

Names	Company number	Registered office or principal place of business	Principal activity	Class of shares	Holding	Included in consolidation
<b>The Cattle Information Service LTD</b>	SC144462	9 Queens Road, Aberdeen, AB15 4YL	Support activities for animal production and data processing, hosting and related activities	Ordinary A & Ordinary B	100%	Yes
<b>The Centre for Dairy Information LTD</b>	05409255	Scope House, Hortonwood 33, Telford, Shropshire, TF1 7EX	Support activities for animal production - currently dormant	Limited by guarantee and no share capital.	100%	Yes
<b>National Bovine Data Centre LTD</b>	10052419	Scope House, Hortonwood 33, Telford, Shropshire, TF1 7EX	Support activities for animal production.	Ordinary	100%	Yes

The financial results of the subsidiaries for the year were:

	Income £	Expenditure £	Profit (loss)/ surplus/ (deficit) for the year £	Net assets (liabilities) £
The Cattle Information Service LTD	7,549,888	(6,469,353)	1,080,535	2,152,487
The Centre for Dairy Information LTD	-	163,571	163,571	-
National Bovine Data Centre LTD	1,392,944	(1,534,352)	(141,408)	(458,145)

# Find your best route with the Holstein UK Group



BROUGHT TO YOU BY THE HOLSTEIN UK GROUP

**holstein UK**  
holstein & british friesian

**CIS**  
Cattle Information Service

**NBDC**  
NATIONAL BOVINE  
DATA CENTRE

**Approved**  
Registered Cattle



T: 01923 695200 | W: [www.holstein-uk.org](http://www.holstein-uk.org) | E: [info@holstein-uk.org](mailto:info@holstein-uk.org)  
Holstein UK, Scope House, Hortonwood 33, Telford, Shropshire TF1 7EX  
Company Registered No: 3674328 (England and Wales) | Charity No: 1072998