



Annual Report & Accounts

For the year ended 31 December 2023

www.holstein-uk.org



Holstein UK Board of Trustees

Officers of the Society

President – Mr A Jones

Chairman – Mr W Gregg

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 Balance Sheet	21
Charity Balance Sheet	22
Consolidated Statement of Cash Flows	23
Notes to the Financial Statements	24

PRESIDENT'S REPORT

ANDREW JONES

What an exceptional year this has been for Jenny and I, you spend all your lives trying to build something in the industry and then out of the blue you get a privilege like 'becoming president of Holstein UK'. Having started my farming career clipping and washing cows for sales whilst trying to build up a business at home that would sustain a family, we then sold our registered milking herd every five years and built it back up again which was a challenge I enjoyed immensely. It was those sales of registered animals that made it possible for us to buy our tenanted farm, something that I will always be eternally indebted to the registered black and white cow for.

My year started out with a fantastic couple of days last June based at the Grosvenor Arms in Pulford, spending two exceptional days touring various units in the area for which I would like to thank our hosts and all the sponsors which made it possible. Not forgetting our two after-dinner speakers and our organising committee. My first duty was to attend The Great Yorkshire Show, I will remember not only meeting lots of our Holstein family there but also witnessing the Coates family winning Holstein Champion with the daughter of the previous year's Champion (a story in itself), congratulations. Moving on to other shows and open days where we were able to catch up with lots of friends old and new which enrich the national Holstein family.

The HYB Weekend Rally took place in August, which was hosted by the South West club, this was my first visit to a weekend rally. I was very much looking forward to this event as I am a big believer that our young members are an investment in the industry's future, just as your youngstock are in your dairy herd. As I said at the time, these young people will shape the future of our industry and feed the population, but they unfortunately have the added burden of turning around the climate change bus by spreading the message. Whilst we accept agriculture is part of the emissions problem 'it is the solution' (because photosynthesis is the only natural way of capturing carbon).

Next Jenny and I visited UK Dairy Day, an industry flagship event hosted by Holstein UK. The final line-up of Holsteins in the championship that day would have graced any show-ring in the world and we, as members, should be extremely proud of this. Congratulations to the Will's Family for winning the National Premier Herd Competition.

Getting to see what goes into the organisation and running of events like UK Dairy Day and the Weekend Rally is something I hadn't been exposed to before. I was extremely proud to witness the immense level of teamwork and commitment from the team led by Hannah Williams and of course most of the classifiers who were involved. The team of people across all these events go above and beyond to ensure their smooth running.

The day before UK Dairy Day was the official opening of Scope House, the new Holstein UK offices and laboratories in Telford, opened by Tom Cope and family in memory of the late Sue Cope whose legacy very much lives on within the Society.

Next in our diary was the All Breeds All Britain Calf Show, this is an event which enables young members to develop their life skills including teamwork, competing, winning, losing, socialising, but above all learning team and leadership skills. Our three daughters have all benefited from being involved in HYB from the skills they have developed and the

lifelong friends they have made. The Little Star award this year was won by Tilly Green (Yorkshire), the Dick Stapleton award was won by George Oultram (Western) and the Louise Hartley award was won by Ellie Saxby (Yorkshire).

Moving onto the Presidents Medal where I was joined by co-judges Aran Owen (Semex UK) and Katie Jones (Farmers Guardian). This was a particular highlight for me with the standard of essays submitted being

so high and the final six individuals we interviewed all being great ambassadors for our industry. The winner this year was Alison Lawrie (Scotland) whose contribution to HYB has been exceptional along with the vision she possesses for the industry. We are indebted to Semex for the annual sponsorship of this section of the Society.

The Society is in a good position right now with a great team led by Melanie Harmitt and with the addition of Mikey Halliwell we are now able to start fires rather than running around putting fires out 'Watch this Space'.

I would like to wish Nick and Topsy Helyer all the best for the coming year.

Finally, I would like to thank the ladies in the office who have organised our logistics over the past year. I would also like to thank all the clubs who have invited and hosted Jenny and I to their club dinners and showed great hospitality giving me an opportunity to meet new members. One weekend included a Friday night trip to North Allerton followed by a Saturday trip to Cardiff so needless to say, Jenny and I have clocked up the miles.

I would also like to thank the members who voted me into the President's role this year including the nomination from the North Wales and Western Clubs and finally Jenny and my family who have supported me every step of my journey.

This has been the pinnacle of my cattle breeding career – thank you.

Andrew Jones
President



CHAIRMAN'S REPORT

WALLACE GREGG

The past year for The Holstein UK Group has been perhaps more 'normal' than previous years as all our events returned to normal after disruption due to Covid-19. Our Society is in a robust financial state but like so many other businesses in the current climate we are not immune to increasing costs and static income but I can assure you that the Trustees, through our newly implemented five year strategy, are determined to deliver results so that our members can really see the benefit of registering cattle by increasing profitability, improving information transfer, providing educational opportunities and not forgetting providing numerous opportunities for social interaction. To this end Michael Halliwell took up his position as Group Commercial Director across Holstein UK, the CIS and NBDC and I welcome him to the staff. Within Holstein UK, registrations and membership has remained quite stable which is encouraging as is the performance of CIS which is milk recording about half the GB milk recorded dairy cow population as well as offering numerous different bovine health tests. NBDC are classifying more animals than ever and now offer a service to 22 different breeds of cattle as well as genomic testing.

It was a pleasure to welcome the Cope family in September to officially open Scope House, our new Headquarters. The simple definition of scope is 'space or opportunity for action or thought',

and our new premises have encapsulated this with the CIS laboratory now fully operational and fully UKAS accredited in the last twelve months, modern spacious accommodation for our staff and meeting room facilities to accommodate Holstein UK Group and other agricultural organisations.



The Premier Herd Open Day at the Aireburn herd of the Moorhouse family was a tremendous success and we look forward to this year's Open Day on the 2nd July hosted at Pawton Dairy by the Wills family of Willsbro Holsteins in Cornwall. Our National Holstein Show was once again held in mid-September at UK Dairy Day and I know no one would disagree that we were treated to probably the best show of Holsteins for quite some time and indeed the whole show has grown to be the premier one-day dairy industry event within the UK.

As Chairman but also as a parent of HYB members, it was a privilege to witness the skill, knowledge, dedication, and not forgetting the ability to have fun, of all our young members over the last twelve



Holstein UK Premier Herd Competition Regional Winners



months whether that was at the ABAB Calf Show, HYB Weekend Rally or President's Medal applicants. The future is in safe hands!

On behalf of Holstein UK I would like to thank our outgoing president Andrew Jones, and his wife Jenny, for their work in the last year travelling far and wide across the UK representing the Society at meetings, shows and dinners promoting all that is good about registering cattle. We welcome our incoming president Nick Helyer and look forward to our annual AGM incorporated in the Holstein Celebration in Wiltshire this summer.

As I near the end of my term as Chairman and six years as a Trustee, could I thank all the staff on your behalf and personally. They are talented, hard-working and a pleasure to work with. To my fellow

Trustees, both past and present, it has been an honour to sit on a board with you and I thank you all for dedication and time commitment to ensure the continued success of Holstein UK.

Finally, to the Northern Ireland club and especially my family and staff a huge thank you. It was your support and encouragement that enabled me to be a Trustee and Chairman of Holstein UK. It has been an honour to represent the largest independent breed Society in Europe and can I wish all our members and the Society every success in the future.

Wallace Gregg
Chairman

CHIEF EXECUTIVE'S REPORT

MELANIE HARMITT

2023 saw the official opening of the Holstein UK Group's new Headquarters in Telford. Named after our previous CEO, Sue Cope, who sadly passed away in May 2022 following a very brave battle with illness, Scope House provides contemporary offices, conference facilities and CIS laboratory space which doubles the floorspace of Speir House and gives us capacity for future expansion.

On 12th September 2023, over 100 staff, Trustees and members, past and present, were joined by the Deputy Lord Lieutenant of Shropshire and fellow industry people to see the Cope Family cut the ribbon. Everyone enjoyed a tour of the facilities, lunch and an opportunity to catch-up with friends.

The CIS laboratory moved to Scope House at the end of October 2023. This was later than originally anticipated but the UKAS accreditation process cannot be rushed! The move took a huge amount of planning to minimise disruption to services but Dena and her team did a tremendous job. It is wonderful to have all of the Telford based staff under one roof once again.

The bespoke conference facilities created at Scope House have been a fabulous addition to our portfolio. We are in the early stages of making the space available for use by outside organisations but during 2023 there were a range of bookings which saw us host organisations such as Mole Valley Farmers, Lancashire Holstein Club and Red Tractor. Bookings already taken for 2024 include the Staffordshire and Derbyshire Holstein Clubs and the Beef Breed Group. If you are interested in arranging a Holstein Club visit or know of a like minded organisation that needs a central location for their meetings please let us know.

We are once again reporting positive financial results for the Group. Holstein UK continues to trade at a loss (although at lower levels), however, the Charity remains viable through the support of Holstein UK's investments and other companies within the Group. The updated five-year strategy of aspirations, objectives and actions which must be met in order to deliver our charitable objectives continues to guide everything we do. The strategy covering 2023-27 is available on our website.

Membership

Membership numbers in 2023 are slightly down compared to 2022. In line with industry trends, we unfortunately lost 444 members, however, 173 new members saw the value of pedigree and joined the Society.

Herd Book Management

After registrations in 2021 and 2022 of over 200,000, 2023 saw a fall of 7% to 194,454 registrations, similar to 2020 levels. 2024 will see the start of our project to improve our member and customer facing systems. Work is ongoing to ensure we are prepared for changes in Government systems/processes for the registration of animal births and movements across all the home nations.

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 2023 as the AHDB Herd Advance Project finished in Q1. The three-year genomic testing contract which was awarded to Neogen began in June 2023. AHDB increased runs to fortnightly in October 23 providing faster result turnaround for members. AHDB plan to move to weekly runs from April 24.

Type Classification

The team inspected 141,421 cattle during 2023, an increase of 5.2% on 2022 and exceeding the previous high in 2017. 3,850 herds across 22 breeds invited out Classifiers on farm and we are very grateful for the warm welcome they receive.

Milk Recording and Animal Health Testing

An additional 74 herds, bringing 20,675 cows, joined the Cattle Information Service (CIS) in 2023 adding to the growth seen in previous years. Of those new herds, 38 were new to milk recording and are reaping the benefits our services can provide. Unfortunately, we lost 47 herds in 2023, less than in 2022; 28 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 our investment in more laboratory space and new equipment 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.

Our continued presence at events throughout the year, 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, gives us the opportunity to meet many of our members and seeing amazing pedigree cows.

The nominations for this year's Holstein Young Breeder (HYB) awards were once again very strong making the decisions very difficult. Congratulations to President's Medal Award winner Alison Laurie (Scotland), Louise Hartley Award winner Ellie Saxby (Yorkshire) and Little Star Award winner Tilly Green (Yorkshire) who are all great ambassadors for HYB. 2023 saw the first awards from the Sue Cope Bursary; William Neale, Sioned Morris and Iwan Thomas received contributions towards their ongoing education and training.

The submissions for the 2023 Lifetime Achievement Award were so strong that the Board of Trustees could not decide on just one! Mary Mead, Dennis Smith and Aubrey Greenhalgh were nominated by their clubs for their dedication to the Holstein and British Friesian breeds over many years and the Board decided they were all worthy winners. Mary received her award at the BCBC Annual Conference Dinner in January,



Aubrey received his award at the All Britain Awards Dinner and Dance at Dairy Expo in February and Dennis will receive his award later in the year.

Brian and Judith Moorhouse of the Aireburn Holsteins, winners of the 2022 Premier Herd Competition, hosted members at Hesper Farm on 1st August 2023. Robert & Matthew Wills of Willsbro Holsteins, Pawton Dairy are the 2023 Premier Herd Competition winners and will hold their Open Day on 2nd July 2024.

The HYB Weekend Rally in August 2023 was hosted by the South West Club in Somerset. 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.

The sun shone in September for UK Dairy Day which was once again a huge success with a fantastic display of pedigree animals on show, record exhibitor numbers and a steady stream of visitors throughout the day. The ongoing support from the industry and our members makes all the hard work which goes into hosting the event worthwhile. Lizzie Yates, one of our employees, was awarded the Howard Sneesby Award for the work she has put into making UK Dairy Day a success over the years. UK Dairy Day 2024 will see us celebrating the 10th anniversary of our event, please come along to see the special commemorative things we have planned.

The All Breeds All Britain (ABAB) Calf Show had a new venue, NAEC Stoneleigh. This was a fantastic location to showcase the handling skills of our young members and their calves.

Andrew Jones took over the presidency in June 2023. Supported by his wife, Jenny, and the North Wales and Western Clubs, the Holstein UK Celebration and AGM was held at the Grosvenor Pulford Hotel in Cheshire and gave members the opportunity to visit local farms, eat fabulous food and watch fantastic entertainment. Andrew and Jenny have been a real asset to the Society travelling far and wide representing Holstein UK.

I am very grateful to have had the support of the Chairman, Wallace Gregg, and Chairman Elect, Steve Hill, during the last year. Being Chairman of the Society is a significant time commitment and I would like to extend my thanks to Wallace's and Steve'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 2024.

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 2023 to 31 December 2023. 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.



Holstein UK President's
Medal Winner
Alison Lawrie

The trustees who served during the period were:

Elected 2014	Michael Smale Retired 28.06.23	Far Western
Elected 2016	Peter Prior Retired 28.06.23	South East & Eastern
Elected 2017	Sandy Pirie	Scotland
Elected 2018	Wallace Gregg	Northern Ireland
Elected 2019	Jane Whittaker	North Western
	John Hartley	Lancashire
	Matthew Winter	East Midlands
	Stephen Hill	North Midlands
Elected 2020	William Williams	North Wales
	Andrew Williamson	Northern
Elected 2021	Richard Thomas	South Wales
	Ben Yates	Southern
	David Lawson	Yorkshire
Elected 2022	James Baillie	Scotland
	Claire Jones	West Midlands
Elected 2023	Dawn Coryn From 28.06.23	Far Western
	Wallace Patton From 28.06.23	Northern Ireland

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 2023 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.

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 184,986 full pedigree females during the full year January to December 2023 (2022: 196,048). 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 2023, the Charity undertook 126,166 (2022: 117,891) 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 programs 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, The All Breeds All Britain Calf Show and the Holstein UK Celebration & AGM in Cheshire were all well attended, providing a mixture of networking and education. The Group also continued to facilitate online events in 2023 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 and via its trading subsidiaries www.thecis.co.uk and 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 £45,284 (2022: £44,593) and investment gains totalled £88,439 (2022: £179,688 loss) recovering almost half of the losses made in 2022. 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 2023 were £17,368,548 (2022: £17,839,839). 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 £1,237,258 (2022: £1,424,470), representing on average 5 (2022: 7) weeks running costs. Assets which could be reasonably realised were £6,498,207 (2022: £6,699,371), representing 55% (2022: 61%) 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.



The main risk to the Charity's financial well being 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 2023.

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 £12,089,145 (2022: £11,956,458). On a like for like comparative basis, income is up 1.1%.

The budget set for 2024 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 2023 a loss of £28,540 was recorded (£141,408 loss in 2022).

NBDC did not receive any Government support in 2023 (2022: £NIL). The Trustees implemented a price increase for Type Classification Service visits from 1st November 2022 to reduce losses going forward and the full year impact of this decision can be seen in 2023.

The Cattle Information Service Ltd (CIS) continued to contribute to the Holstein UK Group with surpluses of £448,000 (2022: £1,080,535). Surpluses are normally gift aided to the Charity in the subsequent year, however, no surpluses will be gift aided for 2023 profits due to Capital Allowances available for new equipment purchased.

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), Show & Sale, Science 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, mainly through the bi-monthly magazine *The Journal*.

There are currently 5,348 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 09 May 2023. All Trustees are members of the Charity and Directors of the charitable company. During the reporting period there were 6 (2022: 6) Trustees' meetings, all held in person, which achieved an 88% (2022: 90.2%) attendance. The individual Trustees' percentage attendance for the reporting period was as follows: J Baillie 100%, D Coryn 100%, W Gregg 100%, J Hartley 100%, S Hill 83.3%, C Jones 100%, D Lawson 83.3%, W Patton 100%, S Pirie 100%, P Prior 0%, M Smale 100%, R Thomas 66.7%, M Winter 50%, J Whittaker 83.3%, W Williams 100%, A Williamson 100% and B Yates 100%. The amount of expenses reimbursed to Trustees during the reporting period was £20,815 (2022: £16,511).

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, Head of Finance, Head of Events & Marketing, Head of IT, 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 and has close links with bodies such as AHDB.

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 2018-2023 Strategy which incorporated feedback from members. The strategy was updated during 2023 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 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:



Wallace Gregg (Chairman)

Date: 09 May 2024

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 2023 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 2023 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. 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) for and on behalf of WR Partners

Chartered Accountants and Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

Date: 14 May 2024

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating income and expenditure account)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:				
Donations	4	26,919	26,919	26,103
Charitable activities	5	2,944,122	2,944,122	2,852,130
Other trading activities	6	8,977,970	8,977,970	8,942,832
Investments	7	140,134	140,134	135,393
Total income		12,089,145	12,089,145	11,956,458
EXPENDITURE ON:				
Raising funds	8	8,558,510	8,558,510	7,797,755
Charitable activities	9	3,400,365	3,400,365	3,188,890
Total expenditure		11,958,875	11,958,875	10,986,645
Net (losses)/gains on investments		88,439	88,439	(179,688)
Net income before taxation		218,709	218,709	790,125
Taxation		-	-	(42,379)
Net movement in funds before other recognised gains		218,709	218,709	747,746
OTHER RECOGNISED GAINS / LOSSES:				
Losses / Gains on revaluation of fixed assets		(690,000)	(690,000)	325,000
Net movement in funds		(471,291)	(471,291)	1,072,746
RECONCILIATION OF FUNDS:				
Total funds brought forward		17,839,838	17,839,838	16,767,092
Net movement in funds		(471,291)	(471,291)	1,072,746
Total funds carried forward		17,368,547	17,368,547	17,839,838

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 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Intangible assets	14	40,029	68,908
Tangible assets	15	12,132,818	12,379,309
Investments	17	1,758,443	1,642,152
Investment property	16	2,200,000	2,325,000
		16,131,290	16,415,369
CURRENT ASSETS			
Stocks	19	252,866	107,382
Debtors	20	1,642,937	1,753,138
Cash at bank and in hand		643,961	871,699
		2,539,764	2,732,219
Creditors: amounts falling due within one year	21	(1,302,506)	(1,307,749)
Net current assets		1,237,258	1,424,470
Total net assets		17,368,548	17,839,839
CHARITY FUNDS			
Restricted funds	22	-	-
Unrestricted funds	22	17,368,548	17,839,839
Total funds		17,368,548	17,839,839

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:

Wallace Gregg

Wallace Gregg (Chairman)

Date: 09 May 2024

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

CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2023

	Note	2023 £	As restated 2022 £
FIXED ASSETS			
Intangible assets	14	14,029	68,908
Tangible assets	15	10,273,209	10,676,647
Investments	17	2,524,428	2,408,137
Investment property	16	2,200,000	2,325,000
		15,011,666	15,478,692
CURRENT ASSETS			
Debtors	20	1,417,868	2,285,166
Cash at bank and in hand		8,367	329,875
		1,426,235	2,615,041
Creditors: amounts falling due within one year	21	(417,170)	(1,182,251)
Net current assets		1,009,065	1,432,790
Total net assets		16,020,731	16,911,482
CHARITY FUNDS			
Restricted funds	22	-	-
Unrestricted funds	22	16,020,731	16,911,482
Total funds		16,020,731	16,911,482

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:

Wallace Gregg

Wallace Gregg (Chairman)

Date: 09 May 2024

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	24	279,051	767,513
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		140,134	135,393
Proceeds from the sale of tangible fixed assets		5,000	45,000
Purchase of intangible fixed assets		(26,000)	-
Purchase of tangible fixed assets		(579,704)	(2,349,091)
Disposal of investments		217,843	156,390
Purchase of investments		(264,062)	(185,031)
Net cash (used in)/provided by investing activities		(506,789)	(2,197,339)
Change in cash and cash equivalents in the year		(227,738)	(1,429,826)
Cash and cash equivalents at the beginning of the year		871,699	2,301,525
Cash and cash equivalents at the end of the year	25	643,961	871,699

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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, Hortonwood 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 deficit of £890,751 (2022: surplus of £996,969).

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 is measured initially at cost. For subsequent measurement the Charity accepts the fair value model and investment property is remeasured at the end of each reporting period. Changes in fair value are recognised in the Financial Activities.

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 - 2 to 3 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 (2022: £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 2023	Total funds 2023	Total funds 2022
	£	£	£
Gift Aid	26,919	26,919	26,103
Total 2023	26,919	26,919	26,103
Total 2022	26,103	26,103	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:			
Member subscription fees	277,665	277,665	290,275
Herd Book entry fees	1,844,819	1,844,819	1,710,398
Herd Book services and sundry income	242,097	242,097	263,871
Journal advertising	23,518	23,518	23,527
Livestock events	439,374	439,374	425,140
Other Society services	2,496	2,496	1,290
Catalogue and herd brochure services	666	666	1,610
Breeder awards	101,560	101,560	92,723
Re-issue, transfer fees and fines	11,927	11,927	43,296
Total 2023	2,944,122	2,944,122	2,852,130
<i>Total 2022</i>	<i>2,852,130</i>	<i>2,852,130</i>	

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM NON CHARITABLE TRADING ACTIVITIES			
The Cattle Information Service Limited	7,513,426	7,513,426	7,549,889
National Bovine Data Centre Limited	1,464,544	1,464,544	1,392,943
Total 2023	8,977,970	8,977,970	8,942,832
<i>Total 2022</i>	<i>8,942,832</i>	<i>8,942,832</i>	

7. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Rents receivable	94,850	94,850	90,800
Dividends from listed investments	45,284	45,284	44,593
Total 2023	140,134	140,134	135,393
<i>Total 2022</i>	<i>135,393</i>	<i>135,393</i>	

8. EXPENDITURE ON RAISING FUNDS

Cattle Information Services Limited and National Bovine Data Centre

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Cost of sales	3,847,715	3,847,715	3,798,695
Admin expenses	1,080,551	1,080,551	840,958
Admin staff costs	3,404,839	3,404,839	3,008,211
Depreciation	225,405	225,405	149,891
Total 2023	8,558,510	8,558,510	7,797,755
<i>Total 2022</i>	<i>7,797,755</i>	<i>7,797,755</i>	

9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Holstein Society Services	3,400,365	3,400,365	3,188,890
Total 2023	3,400,365	3,400,365	3,188,890
<i>Total 2022</i>	<i>3,188,890</i>	<i>3,188,890</i>	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

Summary by fund type

	Activities undertaken directly 2023 £	Total funds 2023 £	Total funds 2022 £
Holstein Society Services	3,400,365	3,400,365	3,188,890
Total 2023	3,400,365	3,400,365	3,188,890

Analysis of direct costs

	2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	1,294,883	1,294,883	1,090,734
Depreciation	87,004	87,004	101,641
Research and business development	70,589	70,589	64,610
Testing parentage	210,239	210,239	206,522
Livestock shows	743,151	743,151	646,972
Journal printing and circulation	118,686	118,686	117,756

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

Facilities management and utilities	197,957	197,957	178,747
Telephone	40,823	40,823	32,663
Postage and stationery	90,863	90,863	88,448
Computer maintenance	223,309	223,309	202,050
Field staff	59,517	59,517	43,013
Audit fees	19,220	19,220	16,050
Governance costs	41,636	41,636	38,130
Bank charges	12,163	12,163	12,581
Marketing and publicity	74,133	74,133	45,517
Professional fees and charges	97,407	97,407	285,293
Hire of equipment and vehicles	18,785	18,785	18,163
Total 2023	3,400,365	3,400,365	3,188,890
<i>Total 2022</i>	<i>3,188,890</i>	<i>3,188,890</i>	

11. AUDITORS' REMUNERATION

	2023	2022
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	18,570	17,200
Fees payable to the Charity's auditor in respect of: Audit of subsidiary accounts	16,330	15,150

12. STAFF COSTS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Wages and salaries	3,999,574	3,448,728	1,061,541	880,897
Social security costs	437,502	397,304	151,939	126,678
Pension costs	262,646	252,913	81,403	83,159
	4,699,722	4,098,945	1,294,883	1,090,734

12. STAFF COSTS (CONTINUED)

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

	Group 2023 No.	Group 2022 No.	Charity 2023 No.	Charity 2022 No.
Employees (including casual and part-time staff)	120	117	41	36

Included in the average number of employees are 8 (2022: 8) 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:

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	4	1
In the band £70,001 - £80,000	2	-
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 Group Commercial Director. The total employee benefits (including pension contributions and employers national insurance) amounted to £215,355 (2022: £183,466).

The key management personnel of the Group comprise of those listed on page 2. The total employee benefits of those listed on page 16 amounted to £657,942 (2022: £562,726).

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year ended 31 December 2023, expenses totalling £20,815 were reimbursed or paid directly to 14 Trustees (2022 - £16,511 to 11 Trustees). These expenses relate 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 2023	1,080,827
Additions	26,000
At 31 December 2023	1,106,827
Amortisation	
At 1 January 2023	1,011,919
Charge for the year	54,879
At 31 December 2023	1,066,798
Net book value	
At 31 December 2023	40,029
At 31 December 2022	68,908

15. TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant and machinery £	Promotional equipment £	Total £
Cost or valuation				
At 1 January 2023	10,538,091	4,613,507	16,783	15,168,381
Additions	107,003	472,701	-	579,704
Disposals	-	(44,002)	-	(44,002)
Revaluations	(565,000)	-	-	(565,000)
At 31 December 2023	10,080,094	5,042,206	16,783	15,139,083
Depreciation				
At 1 January 2023	30,494	2,749,453	9,125	2,789,072
Charge for the year	-	257,529	-	257,529
On disposals	-	(40,336)	-	(40,336)
At 31 December 2023	30,494	2,966,646	9,125	3,006,265
Net book value				
At 31 December 2023	10,049,600	2,075,560	7,658	12,132,818
At 31 December 2022	10,507,597	1,864,054	7,658	12,379,309

Charity	Freehold property £	Office equipment £	Computer equipment £	Promotional equipment £	Total £
Cost or valuation					
At 1 January 2023	10,538,091	587,298	146,063	16,783	11,288,235
Additions	107,003	57,038	29,646	-	193,687
Revaluations	(565,000)	-	-	-	(565,000)
At 31 December 2023	10,080,094	644,336	175,709	16,783	10,916,922
Depreciation					
At 1 January 2023	30,494	437,282	134,687	9,125	611,588
Charge for the year	-	21,268	10,857	-	32,125
At 31 December 2023	30,494	458,550	145,544	9,125	643,713
Net book value					
At 31 December 2023	10,049,600	185,786	30,165	7,658	10,273,209
At 31 December 2022	10,507,597	150,016	11,376	7,658	10,676,647

The Group and Charity

The freehold land and buildings at Scotsbridge House and Speir House were revalued at £7,000,000 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 2024.

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 £
Valuation	
At 1 January 2023	2,325,000
Revaluation	(125,000)
At 31 December 2023	2,325,000
Charity	Freehold investment property £
Valuation	
At 1 January 2023	2,325,000
Revaluation	(125,000)
At 31 December 2023	2,325,000

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 revaluation in the year is based on Trustees' valuation which has been informed by negotiations in relation to a planned sale. The historical cost of the properties was £411,295 (2022: £411,295).

17. FIXED ASSET INVESTMENTS

Group	Listed investments £
Cost or valuation	
At 1 January 2023	1,642,152
Additions	264,062
Disposals	(217,843)
Revaluations	70,072
At 31 December 2023	1,758,443
Net book value	
At 31 December 2023	1,758,443
At 31 December 2022	1,642,152

17. FIXED ASSET INVESTMENTS (CONTINUED)

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 January 2023	765,985	1,642,152	2,408,137
Additions	-	264,062	264,062
Disposals	-	(217,843)	(217,843)
Revaluations	-	70,072	70,072
At 31 December 2023	765,985	1,758,443	2,524,428
Net book value			
At 31 December 2023	765,985	1,758,443	2,524,428
At 31 December 2022	765,985	1,642,152	2,408,137

18. ANALYSIS OF LISTED INVESTMENTS

	2023 £	2022 £
Corporate bonds - fixed interest	249,548	121,777
Equities - listed UK	424,251	420,265
Equities - listed international	700,239	672,346
Property and alternatives	384,405	427,764
	1,758,443	1,642,152

19. STOCKS

	Group 2023 £	Group 2022 £
Laboratory consumables	252,866	107,382

20. DEBTORS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Due within one year				
Trade debtors	1,415,444	1,540,425	607,336	607,149
Amounts owed by Group undertakings	-	-	649,216	1,527,843
Other debtors	14,915	14,955	11,301	11,301
Prepayments and accrued income	212,578	197,758	150,015	138,873
	1,642,937	1,753,138	1,417,868	2,285,166

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade creditors	753,423	783,493	261,065	281,601
Amounts owed to Group undertakings	-	-	-	756,623
Other taxation and social security	366,781	343,978	69,514	49,809
Other creditors	77,684	70,531	30,485	21,417
Accruals and deferred income	104,618	109,747	56,106	72,801
	1,302,506	1,307,749	417,170	1,182,251

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Deferred income at 1 January 2023	2,319	8,357	2,319	8,357
Resources deferred during the year	12,493	2,319	12,493	2,319
Amounts released from previous periods	(2,319)	(8,357)	(2,319)	(8,357)
	12,493	2,319	12,493	2,319

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.

22. STATEMENT OF FUNDS

Statement of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2023 £
Unrestricted funds					
Free Reserves	5,395,065	3,111,175	(3,400,365)	88,439	5,194,314
Non-Charitable Subsidiaries	4,846,414	8,977,970	(8,558,510)	-	5,265,874
Revaluation reserve	7,598,360	-	-	(690,000)	6,908,360
	17,839,839	12,089,145	(11,958,875)	(601,561)	17,368,548

Statement of funds - prior year

	Balance at 1 January 2022 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds						
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

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	12,132,818	12,132,818
Intangible fixed assets	40,029	40,029
Fixed asset investments	1,758,443	1,758,443
Investment property	2,200,000	2,200,000
Current assets	2,539,764	2,539,764
Creditors due within one year	(1,302,506)	(1,302,506)
Total	17,368,548	17,368,548

Analysis of net assets between funds - prior 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)
Total	17,839,839	17,839,839

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

	Group 2023 £	Group 2022 £
Net income for the period (as per Statement of Financial Activities)	218,709	747,746
Adjustments for:		
Depreciation charges	257,529	162,363
Amortisation charges	54,879	89,169
Revaluation on investments	(70,072)	183,332
Dividends, interests and rents from investments	(140,134)	(135,393)
Decrease / (increase) in stocks	(145,484)	29,393
Decrease in debtors	110,201	743,740
Decrease in creditors	(5,243)	(1,040,087)
Profit on sale of fixed assets	(1,334)	(12,750)
Net cash provided by operating activities	279,051	767,513

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2023 £	Group 2022 £
Cash in hand	643,961	871,699
Total cash and cash equivalents	643,961	871,699

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2023 £	Cash flows December 2023 £	At 31 December 2023 £
Cash at bank and in hand	871,699	(227,738)	643,961
	871,699	(227,738)	643,961

27. CAPITAL COMMITMENTS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Acquisition of tangible assets	-	413,848	-	19,280

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 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Not later than 1 year	160,829	107,826	20,633	6,519
Later than 1 year and not later than 5 years	197,613	112,729	28,921	9,852
	358,442	220,555	49,554	16,371

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 £42,000 (2022: £36,000);
- the provision of staff by the Charity to CIS and NBDC amounted to £341,620 (2022: £260,329) and £52,816 (2022: £28,625) respectively;
- the provision of administrative costs by the Charity to CIS and NBDC amounted to £55,041 (2022: £49,553) and £9,390 (2022: £8,995) respectively;
- the transfer of gift aid of the trading profits of CIS to the Charity of £Nil (2022: £1,066,682);
- the outstanding balances as at 31 December 2023, from the CIS to the Charity was £62,001 (2022: £270,289), and from NBDC and CDI to the Charity was £587,215 (2022: £476,081) and £Nil (2022: £24,841) respectively;
- the outstanding balance from NBDC is 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
The Cattle Information Service LTD	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
The Centre for Dairy Information LTD	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
National Bovine Data Centre LTD	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	7,513,426	(7,065,426)	448,000	2,600,487
National Bovine Data Centre LTD	1,464,544	(1,493,084)	(28,540)	(486,685)

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