



Annual Report & Accounts

For the year ended 31 December 2021

www.holstein-uk.org



Holstein UK National Show Champion
Riverdane Absolute Springsteen (Apples Absolute Red), Riverdane Holsteins. Photo by Claire Swale.

Officers of the Society

President – Mr J Jamieson

Chairman – Mr M Smale

Registered Office

Speir House, Stafford Park 1,
Telford, Shropshire TF3 3BD

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

Cover photos by Richard Hodgson.

Contents

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

PRESIDENT'S REPORT

John Jamieson

It has been an absolute privilege and honour to represent Holstein UK and its members as your President over the last year. I would like to thank Holstein Scotland for the nomination and the trustees for appointing me to this post. Special mention must go to Holstein UK staff, in particular Sue, Hannah and the Events Team for their help and support throughout the year.

Despite the pandemic causing much disruption, we are thankful to the vaccination programme which has allowed us to return to some kind of normality and as a breed society, we have been able to hold and support a number of important events. The long-awaited Premier Herd Open Day at Berryholme was the first national event and what a memorable day it was for the huge turnout of visitors. The farm, the herd and the elite sale were all a great credit to the Wright Family.

The next month saw the Gold Cup Winners, the Sloan's of the Townlaw herd in Ayrshire, hosting their Open Day. This, again, was well supported and highlighted what can be achieved on a family farm with pedigree Holsteins.

The show season, for the second year, took a big hit with a few exceptions. The Royal Highland Show staged their Showcase event and made good use of technology by livestreaming for all to see. This was followed by the Great Yorkshire Show holding a 'socially distanced' event with an extra day and less visitors. Balmoral and the Winter Fairs all ran successful events under very difficult restrictions.

Staging UK Dairy Day was a huge achievement as the first national agricultural event held indoors in 2021. The event received much praise from the dairy industry and was rewarded with a great attendance. Credit must go to Sue Cope, Hannah Williams and the staff for such a successful show. I had the pleasure of presenting the Master Breeder Awards and the prestigious Premier Herd regional winners, with the overall winner being the Davlea herd. What a great platform to recognise these breeders' achievements. One of the highlights of the show was witnessing our very own Sue Cope winning the Howard Sneesby Award, so very well deserved. Great credit must go to the cattle exhibitors at all these events who impressed us with their tremendous stock and enthusiasm to promote our breed.

In August, Holstein Young Breeders were able to hold an excellent National Competitions Day at Hallon Holsteins. Throughout the Summer,

clubs held their qualifying calf shows in preparation for what was a hugely successful ABAB Calf Show. The lockdowns were particularly hard for young people and it was a pleasure witnessing our HYB members enjoying and competing again at Peterborough. I personally enjoyed being involved in the selection of the Little Star Award, with the winner being Rory Scott from Scotland and later the Presidents Medal Winner, Cari Thomas from Cornwall. The calibre of young people nominated by their clubs continues to impress us all and thanks must go again to Semex UK for their continued sponsorship. Our breed has a positive future with so many young people excelling within our industry.



The winter itinerary started well with Helen and I enjoying attending club dinners and catching up with the members. Unfortunately, the New Year saw gatherings cancelled once again due to Covid but we look forward to meeting up with everyone soon. Throughout the year the welcome and hospitality we have received on our travels has been very much appreciated.

Pedigree cattle sales had a better year with less postponements. We witnessed a great demand for registered stock with the elite animals achieving excellent premiums with the concept of online bidding possibly here to stay!

2021 saw the purchase of new premises in Telford which in time will be our new headquarters. The building and surrounding area has huge potential and, when completed later this year, will be excellent premises that will enable Holstein UK, CIS and NBDC to carry the breed forward.

I would like to thank Helen and our family for their support, especially Graham, who has held the fort at home to allow us to attend events. Thank you all for your friendship and support and from my experience in the last year I can assure you that your Society is in very safe hands.

John Jamieson
President

2021 Premier Herd Award regional winners.
Photo by Richard Hodgson.



CHAIRMAN'S REPORT

MICHAEL SMALE

Well last year I started my Chairman's Report by saying "it looked like things were returning to normal"; how wrong I was and I'm now beginning to wonder what normal is. All the same issues as last year with the effect of Brexit, the Agriculture Act 2020 and the pandemic still seeming to be like a bad cold that you can't shake off. We now have the added crisis of growing conflict in Europe pushing food security up the agenda and making business decisions all the more difficult. But as an industry, dairy farmers have always taken on challenges and adapted quickly and I hope that we are all able to do this once again.

Holstein UK has seen a slight improvement across the Group. Once again, CIS leads the way with its milk recording and increasing volume of herd health testing. More and more farmers are using these services as milk contracts and welfare standards demand more testing to be done. NBDC has for the first time shown a profit, with the help of Government grants for furloughed staff, and there has been a greater uptake in genomic testing services. Holstein UK operations has again seen an increase in registrations,

up by 7% over last year's increase. However, with the reintroduction of shows and events, the increasing costs of these will always create financial challenges. The Board of Trustees and management will continually review and look at ways of delivering the standards of services in a more efficient and effective manner. Through all of this we continue to provide some services at below cost, ensuring that members benefit from the Group's services in these challenging times.

Our property portfolio for Holstein UK is in a strong position as the sale of part of Scotsbridge House offices and adjacent land is ongoing. On completion of the sale we will still be left with a significant asset value on the retained property and land in



Holstein Young Breeders at the 2021 National Competitions Day.





Rickmansworth. The group is still operating out of Speir House at present and the redevelopment of Progress House is ongoing. A phased move will take place over the late summer/early autumn.

Over the past 12 months, Covid restrictions lifted in time for us to be able to host most of our normal calendar of events. Notably, the Premier Herd Open Day at Berryholme was the first event of the year and it was a pleasure to see so many breeders attending an outstanding event to come back with. The HYB Rally was adjusted to make it a very successful National Competitions Day and the Board's decision to go ahead with UK Dairy Day was hugely successful and helped to promote Holstein UK and its members across the industry.

I would like to thank the two retiring trustees, David Jones and David Yates, for their contribution and time they have given to Holstein UK during their terms in office. We look forward to welcoming two new trustees to the board, Jimmy Baillie and Claire

Jones, who will bring a valuable contribution. We are delighted that John Jamieson has agreed to continue his term as President, in order that he is able to carry out a full calendar of events, which had been greatly reduced because of Covid restrictions.

Once again, the trustees' considerable time and effort must be recognised and I thank them all for their continued support. Thank you to Sue, the senior management team and employees for their drive and commitment to make the Society a success.

Thanks to the family at home in Cornwall who continue to support me in my role as Chairman. I wish all of our members the very best for the forthcoming year and the Society will continue to be here to support you and your businesses.

Michael Smale
Chairman

CHIEF EXECUTIVE'S REPORT

SUE COPE

For Holstein UK, 2021 has revolved around adapting to the new normal and dealing with the challenges we face in a post-pandemic and post-Brexit environment. Whilst we continue to deal with a number of ongoing challenges, I am pleased to report that we are now looking forward to a more positive year ahead of us with many industry events resuming and a more normal outlook on the horizon.

The Covid-19 pandemic has impacted all parts of our business, along with our wider communities, and through the resilience and determination of our members and the flexibility and dedication of our staff, the Holstein UK business has continued to provide key services to our members whilst ensuring the financial stability of the Society. I am extremely proud of the staff who have all supported us through this difficult period and we are fortunate that the business has continued to support our members through the pandemic. This has not been without challenges, such as remote working and changes to service provision due to Covid, but I do believe we have weathered the storm better than many companies.

The dairy industry continues to face a wide variety of challenges which directly and indirectly affect our members. Volatility in milk price continues to put financial pressure on all dairy farmers, and this coupled with new environmental challenges, are hurdles we will continue to battle in future years. A media focus on sustainability brings a new set of regulations and we understand the pressures which many of our members are facing, however I have every confidence that you will all continue to meet these challenges head on.

It is pleasing to see that across the UK, the agricultural industry's hard work is being recognised more by the general public and, as a whole, there is now a greater appreciation of British produce and its quality. This is down to farmers showcasing their high standards of animal welfare and environmental stewardship. We receive continued support from organisations such as the NFU and AHDB who promote British dairy products and showcase their quality and traceability. To encourage the public further, we must continue to all work together to promote our world-class produce.

I am pleased to report that the financial results for the Group are very positive which is due to the continuation and expansion of our core services. The savings from the lack of shows and events has assisted with the Group's financial performance, but we must continue to look at alternative saving opportunities in order to meet our charitable objectives. Holstein UK continues to trade at a loss and whilst we have worked hard to reduce this loss, the Charity would still not be viable without the support of Holstein UK's investments and other companies within the Group. The Board of Trustees are in the process of updating the five year strategy of aspirations, objectives and actions which must be met in order to deliver our charitable objectives. The strategy will be published later this year.

Membership

The dairy industry continues to create challenges and financial pressures which are impacting a great deal of producers. This sadly means that dairy farmers are deciding to leave the industry and as a consequence, we have seen a reduction in Holstein UK membership numbers. Although this is in line with industry trends, the loss of 279 members should not be taken lightly, I am delighted however that we have signed up 157 new members. Although we signed up more

new members in 2021 compared to 2020, overall membership numbers are slightly down.

Herd Book Management

I am extremely pleased to report that total registrations increased in 2021 by 7% over the previous year, resulting in 208,383 new animals entering the Herd Book.

This of course is positive news but we must be mindful to continue to invest in our services and ensure the

Society is fit for purpose and meeting legislation. Animal movements continue to be a huge issue now we are classed as a third-country breed society and we are working hard to push for greater ease of export for our members. We are assured that the government is working hard to overcome these problems and we hope that over the next year we will see a number of improvements and resolutions.

Approved Registered Cattle

In 2021, sales of Approved Registered Cattle ear tags increased by 13% as more members utilised the combined buying power of Holstein UK. To further enhance the service and provide additional savings to members, the service has now been rolled out to a number of other breed societies as volume is the key to keeping costs low.

Genomics

The genomic testing service provided by the National Bovine Data Centre (NBDC) processed 34% more samples for members over the previous year. We have strived to make significant improvements in our service provision over the past twelve months to streamline and strengthen our offering to members. Our continual investment in this area assists with a number of external initiatives, including the AHDB Herd Advance Project.

Type Classification

The classification team have done a fantastic job of catching up from periods they spent on furlough and I am delighted that they are all now back doing what they enjoy most. Due to the ongoing flexibility of our members and classifiers, the team inspected 123,946 cattle during 2021. Although this is a decrease of 7% on the previous year, this is a great achievement considering the restrictions we have faced. We have also seen a trend of classifiers inspecting more animals per visit which helps with logistics and efficiency and we hope to see that trend continue into 2022.

Milk Recording and Animal Health Testing

The Cattle Information Service (CIS) has continued growing in strength with an increased customer base of 90 in 2021. Of course, there is always another side to the story as we saw 68 herds leave the CIS which should sadly be expected considering the number of herds dispersing. The majority of farms that altered their service during the Covid pandemic are now back to their usual service provision which is great news and the CIS continues to provide a good return on investment for the Society.

Charitable Activities

Holstein UK continues in its commitment to promote and improve



the breeds within the Herd Book by supporting and representing our members. We also continue to invest in the business and I am delighted that the Society has now purchased a new Head Office site in Hortonwood, Telford. Over recent years, the Society has outgrown the current premises on Stafford Park and the Board of Trustees agreed on having a site that is not only fit for current purpose but that also enables future expansion for the Holstein UK Group. The new site is currently undergoing refurbishment and we hope to be able to start moving staff into the new facility by summer 2022.

It has been fantastic to start visiting shows and events again this year and we hope this continues throughout 2022. Over the period of the last two years, however, we have amassed a library of educational videos and informative webinars on a variety of topics. All of these videos are available to view on Holstein UK and the CIS YouTube channels and I would highly recommend watching them. Our online presence continues to remain strong with an increase of 2% page views of our website and a 5% increase of social media followers. In 2020, growth in this area was accelerated as members and businesses sought new ways to engage virtually due to the pandemic and I am pleased that this engagement has continued throughout 2021.

Our young members continue to demonstrate the strength of our industry's future and I have every confidence that it will thrive in their capable hands. We saw strong entries for all three of this year's Holstein Young Breeder awards. Congratulations to President's Medal Award winner Cari Thomas (Cornwall), Louise Hartley Award winner Jodie Nutsford (Western) and Littlestar Award Winner Rory Scott (Scotland) who are all great ambassadors for Holstein Young Breeders.

The 2021 Lifetime Achievement Award winner needs no introduction, having been involved in the Holstein breed for many years and supporting numerous young members, I was delighted that Bill Nadin (Sterndale) received this prestigious accolade.

The return of the Premier Herd Competition saw a shortlist of some truly exceptional herds. As always with this competition, the standard was outstanding and I would like to extend my congratulations to Ian and Max Davies from the Davlea Herd who are the national champions. We look forward to attending their open day this June.

Although it was not possible for all of the calendar events to happen this year it was reassuring to see many go ahead. The team at Holstein UK were pleased to be able to organise The Premier Herd Open Day at Berryholme. A huge amount of work went into the event by the Wright family and it was so great to see so many of you in attendance. In August, we saw The National Competitions Day at Hallon Holsteins, by kind permission of the Tudor family. This was an extremely well supported day and thanks must go to the Shropshire Club for their hard work in helping to organise the event which sadly was unable to be a normal HYB Weekend Rally due to the restrictions.

September saw the return of UK Dairy Day and I was humbled by the support from both the industry and members in attending and supporting this event. With over 7,000 attendees on the day and a strong show of dairy cattle across six dairy breeds, the event continues to go from strength to strength. To end our year, the All Breeds All Britain Calf Show returned to Peterborough. Again, our young members displayed their skills and commitment to the industry with a fantastic line up of calves. Congratulations to all of the competitors on their achievements.

John Jamieson took over the President role at the Virtual AGM in June for a two year term. Unfortunately, the 2021 Holstein UK Celebration and AGM was postponed but we are looking forward to Scotland hosting the event this June. John and his wife Helen are exemplary representatives for Holstein UK and have been attending a wide range of local, national and Club events. I am delighted that John will continue his presidency in 2022/23.

I would also like to thank the Chairman, Michael Smale, who continues to be a great support to the Society and to me. Michael is keen to help future-proof the Society and through his leadership, we are making positive progress. I would like to extend my thanks to Michael's family 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.

Sue Cope
Chief Executive



2021 Holstein UK Premier Herd Open Day at Berryholme Holsteins. Photo by Richard Hodgson.

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 2021 to 31 December 2021. 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.

2021 Presidents Medal Award winner Cari Thomas with John Jamieson and Michael Dennison. Photo by Richard Hodgson.



The trustees who served during the period were:

ELECTED 2012	Iwan Morgan retired 01.07.21	South Wales
	Jane Targett retired 01.07.21	Southern
	Edward Griffiths retired 01.07.21	Yorkshire
ELECTED 2014	Michael Smale	Far Western
ELECTED 2016	Peter Prior	South East & Eastern
ELECTED 2017	Sandy Pirie	Scotland
	David Jones	West Midlands
ELECTED 2018	David Yates	Scotland
	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	Ben Yates from 01.07.21	Southern
	David Lawson from 01.07.21	Yorkshire
	Richard Thomas from 01.07.21	South Wales

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 and activities undertaken

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 2018-2022 Strategy which incorporated feedback from Members. The full strategy document 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 UK producers to maximise genetic gain by utilising technology such as genotyping, sexed semen and embryo transfer.
- Educate producers about the benefits of genetic gain.
- 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 affecting the productive life of a cow.
- Work with type evaluation teams to track progress and direction.
- Communicate research findings with members and promote benefits to a wider audience.
- Keep up to date with external research and communicate findings to members.
- Recommend changes to services and products following research projects.

PROMOTION ASPIRATION

Every UK dairy producer benefits from Holstein UK services and the Society Herd Book genetics at some level. International breeders recognise the quality of breed genetics and services.

OBJECTIVE

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

ACTION

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

SERVICES ASPIRATION

Society members use and benefit from all Holstein UK Group services.

OBJECTIVE

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

ACTION

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

FINANCE ASPIRATION

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

OBJECTIVE

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

ACTION

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

VOICE ASPIRATION

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

OBJECTIVE

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

ACTION

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

COMMUNICATION ASPIRATION

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

OBJECTIVE

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

ACTION

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

RECOGNITION ASPIRATION

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

OBJECTIVE

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

ACTION

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

GOVERNANCE ASPIRATION

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

OBJECTIVE

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

ACTION

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

OPERATIONS ASPIRATION

Holstein UK is operated using maximum efficiency.

OBJECTIVE

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

ACTION

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

QUALITY ASPIRATION

Holstein UK Group data is proven 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.

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 programmes 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 197,221 full pedigree females during the full year January to December 2021 (2020: 185,261). 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 2021, the Charity undertook 109,951 (2020: 117,407) 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 programmes for monitoring of the herd.

The Charity is committed to hosting events that share knowledge throughout the dairy industry. UK Dairy Day, the HYB Weekend Rally and the All Breeds All Britain Calf Show returned in 2021 after being cancelled due to the pandemic in 2020. Unfortunately, we were still unable to host the Holstein UK Celebration in 2021 but we are hopeful the 2022 Celebration in Scotland will go ahead. The Group continued to facilitate online events in 2021 which enabled us to continue engaging with members to provide educational, networking and marketing opportunities during the Covid-19 pandemic.

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.thehis.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 £31,793 (2020: £34,652) and investment gains totalled £172,670 (2020: £92,845). 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

Due to the Covid-19 situation, we worked under unusual circumstances and had to adapt to new ways of working. With the support of our members and customers we are continuing to deliver services where it is safe to do so. Our laboratory at Speir House is continuing to test samples within normal timescales and our member services for registrations, DNA and genomic testing are continuing without impact. We unfortunately had to take our classifiers off the road between January and March 2021 to comply with Government restrictions regarding essential travel. The situation is under constant review and with the support of our dedicated staff and the trustees, we are able to flex our approach promptly to meet changing needs.

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 during difficult circumstances, 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 2021 were £16,767,093 (2020: £15,383,071). 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 £2,587,342 (2020: £2,820,645), representing on average 13 (2020: 15) weeks running costs. Assets which could be reasonably realised were £8,732,021 (2020: £7,742,227), representing 83% (2020: 78%) 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.



Holstein UK National Calf Show Champion Wolfa Doorman Celicia 2, owned by William Horsley. Photo by Richard Hodgson.

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 2021.

The Charity's principal funding sources are: voluntary income (membership, registration and classification income contribute mainly to this), investment income (through properties held by the

Charity for rent and return on shares via dividends) and profit from trading subsidiaries which undertake various activities including health testing, milk recording, genomic testing, type classification and other farm events.

Group consolidated income for the year totalled £11,747,182 (2020: £11,012,644). On a like-for-like comparative basis, income is up 6.6%.

The budget set for 2022 will enable the Society to operate within its resources whilst still delivering the high quality services members deserve.

National Bovine Data Centre Ltd (NBDC) was set up and began trading in 2017. In its fifth year of operation a profit of £70,910 was recorded (£5,555 deficit in 2020). NBDC received Government support in 2021 of £70,987 (2020: £91,022) through the Job Retention Scheme for the period the classifiers were furloughed.

The Cattle Information Service Ltd (CIS) continued to contribute to the Holstein UK Group with surpluses of £1,332,889 (2020: £1,066,682). The surpluses are Gift Aided to the Charity in the subsequent year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

Holstein UK (the "Charity") is a Company limited by guarantee (not having a share capital) and is a registered Charity. It is governed by a Board of Trustees (the "Board"). The Board sets strategic direction and ensures the Charity achieves its objectives. It oversees governance and is responsible for upholding the Charity's values. It is supported

by four committees (Finance (incl. Scotsbridge House Sale), 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 membership magazine *The Journal*.

There are currently 5,565 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 06 May 2022. All trustees are members of the Charity and directors of the charitable company. During the reporting period there were 4 (2020: 9) trustees' meetings, 3 of which were held in-person, which achieved an 88.4% (2020: 92.6%) attendance; this excludes the Annual General Meeting. The individual trustees' percentage attendance for the reporting period was as follows: W Gregg 100%, E Griffiths 100%, J Hartley 100%, S Hill 100%, D Jones 100%, D Lawson 66.7%, I Morgan 100%, S Pirie 100%, P Prior 50%, M Smale 100%, J Targett 100%, R Thomas 100%, J Whittaker 75%, W Williams 100%, A Williamson 100%, M Winter 50%, B Yates 100%, D Yates 50%. The amount of expenses reimbursed to trustees during the reporting period was £10,358 (2020: £6,856).

Committees

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

Executive Team

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

d. Policies adopted for the induction and training of trustees

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

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

e. Pay policy for key management personnel

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

f. Related party relationships

The Charity works with other organisations to further its objectives. In 2019, the Group won two contracts from AHDB to increase testing with delivery continuing in 2021.

g. Financial risk management

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

Plans for future periods

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

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

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

The Charity is very aware of the issues facing the dairy industry and the need to develop the next generation of pedigree farmers, fully equipped to be successful in a rapidly changing industry. The Charity will continue to invest in its Holstein Young Breeders scheme to ensure that future dairy farmers will continue to enjoy success.

At the AGM in June 2018, the Charity launched its 2018-2022 Strategy which incorporated feedback from members.

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:



Michael Smale (Chairman)

Date: 28 April 2022

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 2021 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 2021 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)

Date: 25 May 2022

for and on behalf of

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:				
Donations	4	98,535	98,535	172,838
Charitable activities	5	2,704,692	2,704,692	2,325,441
Other trading activities	6	8,829,129	8,829,129	8,370,761
Investments	7	114,826	114,826	143,604
Total income		11,747,182	11,747,182	11,012,644
EXPENDITURE ON:				
Raising funds	8	7,539,500	7,539,500	7,451,856
Charitable activities	9	3,038,710	3,038,710	2,567,023
Total expenditure		10,578,210	10,578,210	10,018,879
Net gains on investments		172,670	172,670	92,845
Net income before taxation		1,341,642	1,341,642	1,086,610
Taxation		42,380	42,380	-
Net movement in funds		1,384,022	1,384,022	1,086,610
RECONCILIATION OF FUNDS:				
Total funds brought forward	22	15,383,071	15,383,071	14,296,461
Net movement in funds		1,384,022	1,384,022	1,086,610
Total funds carried forward		16,767,093	16,767,093	15,383,071

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 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible assets	14	158,077	308,291
Tangible assets	15	10,224,831	8,632,880
Investments	17	1,796,843	1,621,255
Investment property	16	2,000,000	2,000,000
		14,179,751	12,562,426
CURRENT ASSETS			
Stocks	19	136,775	145,305
Debtors	20	2,496,878	1,948,897
Cash at bank and in hand		2,301,525	2,026,770
		4,935,178	4,120,972
Creditors: amounts falling due within one year	21	(2,347,836)	(1,300,327)
Net current assets		2,587,342	2,820,645
Total net assets		16,767,093	15,383,071
CHARITY FUNDS			
Restricted funds	22	-	-
Unrestricted funds	22	16,767,093	15,383,071
Total funds		16,767,093	15,383,071

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

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



Michael Smale (Chairman)

Date: 28 April 2022

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

CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible assets	14	158,077	308,291
Tangible assets	15	9,740,183	8,300,520
Investments	17	2,562,828	2,387,240
Investment property	16	2,000,000	2,000,000
		14,461,088	12,996,051
CURRENT ASSETS			
Debtors	20	1,292,716	3,101,419
Cash at bank and in hand		1,522,536	1,314,529
		2,815,252	4,415,948
Creditors: amounts falling due within one year	21	(3,599,933)	(3,715,815)
Net current liabilities/assets		(784,681)	700,133
Total net assets		13,676,407	13,696,184
CHARITY FUNDS			
Restricted funds	22	-	-
Unrestricted funds	22	13,676,407	13,696,184
Total funds		13,676,407	13,696,184

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

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



Michael Smale (Chairman)

Date: 28 April 2022

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	24	1,936,496	1,352,568
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		114,826	143,604
Purchase of tangible fixed assets		(1,771,775)	(64,586)
Disposal of investments		126,422	280,265
Purchase of investments		(131,214)	(318,435)
Net cash (used in)/provided by investing activities		(1,661,741)	40,848
Change in cash and cash equivalents in the year		274,755	1,393,416
Cash and cash equivalents at the beginning of the year		2,026,770	633,354
Cash and cash equivalents at the end of the year	25	2,301,525	2,026,770

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 Speir House, Stafford Park 1, Telford, Shropshire TF3 3BD. 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 £19,777 (2020: surplus of £25,483).

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.

The trustees have also assessed the potential impact on the future operations of the Group with regard to the Covid-19 outbreak. The Group is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

2.4 Income

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

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

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

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

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs

involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

All expenditure is inclusive of irrecoverable VAT.

2.6 Research and development

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

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

2.7 Interest receivable

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

2.8 Foreign currencies

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

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

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

2.9 Taxation

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

2.10 Intangible assets and amortisation

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

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

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

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

Amortisation is provided on the following basis:

Development expenditure -20%

2.11 Tangible fixed assets and depreciation

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

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

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

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

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

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

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

Depreciation is provided on the following bases:

- Freehold property - not depreciated
- Motor vehicles - 3 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 (previously Phoenix Life & Pension Ltd, ceased December 2020). 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 (2020: £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. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Gift Aid	26,745	26,745	26,133
Grants*	71,790	71,790	146,705
Total 2021	98,535	98,535	172,838
Total 2020	172,838	172,838	

*Job Retention Scheme

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
INCOME FROM:			
Member subscription fees	294,401	294,401	289,644
Herd Book entry fees	1,635,633	1,635,633	1,577,316
Herd Book services and sundry income	275,750	275,750	283,282
Journal advertising	29,451	29,451	39,469
Livestock events	291,957	291,957	(599)
Other Society services	5,629	5,629	13,638
Catalogue and herd brochure services	579	579	-
Breeder awards	117,457	117,457	130,793
Re-issue, transfer fees and fines	53,835	53,835	48,662
Pre-2017 classification fees	-	-	(56,764)
Total 2021	2,704,692	2,704,692	2,325,441
<i>Total 2020</i>	<i>2,325,441</i>	<i>2,325,441</i>	

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
INCOME FROM NON CHARITABLE TRADING ACTIVITIES			
The Cattle Information Service Limited	7,445,220	7,445,220	7,079,575
National Bovine Data Centre Limited	1,383,909	1,383,909	1,291,186
Total 2021	8,829,129	8,829,129	8,370,761
<i>Total 2020</i>	<i>8,370,761</i>	<i>8,370,761</i>	

7. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Rents receivable	83,033	83,033	108,952
Dividends from listed investments	31,793	31,793	34,652
Total 2021	114,826	114,826	143,604
<i>Total 2020</i>	<i>143,604</i>	<i>143,604</i>	

8. EXPENDITURE ON RAISING FUNDS

Cattle Information Services Limited and National Bovine Data Centre

	Unrestricted funds 2021	Total funds 2021	<i>Total funds 2020</i>
	£	£	£
Cost of sales	3,678,649	3,678,649	3,529,946
Admin expenses	904,499	904,499	888,130
Admin staff costs	2,782,808	2,782,808	2,870,134
Depreciation	173,544	173,544	163,646
Total 2021	7,539,500	7,539,500	7,451,856
<i>Total 2020</i>	7,451,856	7,451,856	

9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2021	Total funds 2021	<i>Total funds 2020</i>
	£	£	£
Holstein Society Services	3,038,710	3,038,710	2,567,023
Total 2021	3,038,710	3,038,710	2,567,023
<i>Total 2020</i>	2,567,023	2,567,023	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

Summary by fund type

	Activities undertaken directly 2021	Total funds 2021	<i>Total funds 2020</i>
	£	£	£
Holstein Society Services	3,038,710	3,038,710	2,567,023
Total 2021	3,038,710	3,038,710	2,567,023
<i>Total 2020</i>	2,567,023	2,567,023	

Analysis of direct costs

	2021	Total funds 2021	<i>Total funds 2020</i>
	£	£	£
Staff costs	1,199,660	1,199,660	1,243,697
Depreciation	156,494	156,494	221,430
Research and business development	43,809	43,809	32,816
Testing parentage	191,116	191,116	207,769
Livestock shows	531,262	531,262	41,532
Journal printing and circulation	117,175	117,175	137,553

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

Facilities management and utilities	161,426	161,426	120,960
Telephone	39,238	39,238	41,089
Postage and stationery	82,525	82,525	75,396
Computer maintenance	186,041	186,041	176,560
IT development charges	-	-	3,319
Field staff	28,751	28,751	22,541
Audit fees	16,050	16,050	16,900
Governance costs	21,369	21,369	10,104
Bank charges	14,924	14,924	12,898
Donations	-	-	100
Marketing and publicity	18,045	18,045	45,801
Professional fees and charges	210,842	210,842	118,043
Hire of equipment and vehicles	19,983	19,983	38,515
Total 2021	3,038,710	3,038,710	2,567,023
<i>Total 2020</i>	<i>2,567,023</i>	<i>2,567,023</i>	

11. AUDITORS' REMUNERATION

	2021	2020
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	16,050	15,450
Fees payable to the Charity's auditor in respect of: Audit of subsidiary accounts	13,950	13,130
All non-audit services not included above	-	2,320

12. STAFF COSTS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Wages and salaries	3,348,813	3,454,246	970,528	994,507
Social security costs	370,066	376,510	131,872	136,289
Pension costs	263,589	283,075	97,260	112,901
	3,982,468	4,113,831	1,199,660	1,243,697

Included in the above is a severance payment of £44,247 (2020: £30,704) relating to the redundancies of 2 members of staff (2020: 2).

12. STAFF COSTS (CONTINUED)

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

	Group 2021	Group 2020	Charity 2021	Charity 2020
Employees (including casual and part-time staff)	115	120	38	41

Included in the average number of employees are 10 (2020: 10) employees who were not employed on a full time basis throughout the reporting period.

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

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

The key management personnel of the Charitable Company comprise of the Chief Executive Officer and the Chief Financial Officer. The total employee benefits (including pension contributions and employers national insurance) amounted to £231,121 (2020: £219,435).

The key management personnel of the Group comprise of those listed on page 16. The total employee benefits of those listed on page 16 amounted to £597,905 (2020: £580,296).

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year ended 31 December 2021, expenses totalling £10,358 were reimbursed or paid directly to 12 trustees (2020 - £6,856 to 13 trustees). These expenses relate to the payment or reimbursement of travel and subsistence in relation to attendance at meetings of the trustees, at meetings of trustees of subsidiary companies and other management activities.

Holstein UK trustees do not receive remuneration for their time.

14. INTANGIBLE ASSETS

Group and Charity

Website /
application
development.
costs £

Cost

At 1 January 2021	1,080,827
At 31 December 2021	1,080,827

Amortisation

At 1 January 2021	772,536
Charge for the year	150,214
At 31 December 2021	922,750

Net book value

At 31 December 2021	158,077
At 31 December 2020	308,291

15. TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant and machinery £	Promotional equipment £	Total £
Cost or valuation				
At 1 January 2021	8,312,386	2,933,346	16,783	11,262,515
Additions	1,370,647	401,128	-	1,771,775
At 31 December 2021	9,683,033	3,334,474	16,783	13,034,290
Depreciation				
At 1 January 2021	30,494	2,590,016	9,125	2,629,635
Charge for the year	-	179,824	-	179,824
At 31 December 2021	30,494	2,769,840	9,125	2,809,459
Net book value				
At 31 December 2021	9,652,539	564,634	7,658	10,224,831
At 31 December 2020	8,281,892	343,330	7,658	8,632,880

Charity	Freehold property £	Office equipment £	Computer equipment £	Promotional equipment £	Total £
Cost or valuation					
At 1 January 2021	8,312,386	429,983	134,204	16,783	8,893,356
Additions	1,370,647	72,433	2,863	-	1,445,943
At 31 December 2021	9,683,033	502,416	137,067	16,783	10,339,299
Depreciation					
At 1 January 2021	30,494	429,983	123,234	9,125	592,836
Charge for the year	-	446	5,834	-	6,280
At 31 December 2021	30,494	430,429	129,068	9,125	599,116
Net book value					
At 31 December 2021	9,652,539	71,987	7,999	7,658	9,740,183
At 31 December 2020	8,281,892	-	10,970	7,658	8,300,520

The Group and Charity

The freehold land and buildings at Scotsbridge House and Speir House were revalued at £7,565,000 and £600,000 respectively. The Scotsbridge House valuation is based on trustees' valuation. Speir House valuation was undertaken by Towler Shaw Roberts LLP, Chartered Surveyors, on 1 December 2015. 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 part of the Scotsbridge House site and a sale is anticipated in 2022.

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 2021	2,000,000
At 31 December 2021	2,000,000

Charity	Freehold investment property £
Valuation	
At 1 January 2021	2,000,000
At 31 December 2021	2,000,000

The investment properties residing at the Scotsbridge House site were revalued at £2,000,000 based upon valuations produced by Gibbs Gillespie Estate Agents, Surveyors and Valuers on 16 January 2019. The historical cost of the properties was £411,295 (2020: £411,295).

17. FIXED ASSET INVESTMENTS

Group	Listed investments £
Cost or valuation	
At 1 January 2021	1,621,255
Additions	131,214
Disposals	(126,422)
Revaluations	170,796
At 31 December 2021	1,796,843
Net book value	
At 31 December 2021	1,796,843
<i>At 31 December 2020</i>	<i>1,621,255</i>

17. FIXED ASSET INVESTMENTS (CONTINUED)

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 January 2021	765,985	1,621,255	2,387,240
Additions	-	131,214	131,214
Disposals	-	(126,422)	(126,422)
Revaluations	-	170,796	170,796
At 31 December 2021	765,985	1,796,843	2,562,828
Net book value			
At 31 December 2021	765,985	1,796,843	2,562,828
At 31 December 2020	765,985	1,621,255	2,387,240

18. ANALYSIS OF LISTED INVESTMENTS

	2021 £	2020 £
Corporate bonds - fixed interest	177,251	202,955
Equities - listed UK	435,009	367,452
Equities - listed international	755,064	715,824
Property and alternatives	429,519	335,024
	1,796,843	1,621,255

19. STOCKS

	Group 2021 £	Group 2020 £
Laboratory consumables	136,775	145,305

20. DEBTORS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Due within one year				
Trade debtors	1,397,945	1,473,668	591,757	581,143
Amounts owed by Group undertakings	-	-	586,595	2,165,940
Other debtors	10,260	41,414	10,260	32,179
Prepayments and accrued income	1,046,294	433,815	104,104	322,157
Deferred Taxation	42,379	-	-	-
	2,496,878	1,948,897	1,292,716	3,101,419

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	2,007,453	472,662	166,731	202,557
Amounts owed to Group undertakings	-	-	3,232,125	3,329,884
Other taxation and social security	125,256	665,423	74,194	96,934
Other creditors	69,927	55,151	19,957	26,561
Accruals and deferred income	145,200	107,090	106,926	59,879
	2,347,836	1,300,326	3,599,933	3,715,815
Deferred income at 1 January 2021	20,343	-	20,343	-
Resources deferred during the year	8,357	20,343	8,357	20,343
Amounts released from previous periods	(20,343)	-	(20,343)	-
	8,357	20,343	8,357	20,343

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 2021 £	Income £	Expenditure £	Taxation £	Gains/ Losses £	Balance at 31 December 2021 £
Unrestricted funds						
Free Reserves	5,444,795	2,846,263	(3,038,711)	-	172,670	5,425,017
Non-Charitable Subsidiaries	2,339,917	8,900,919	(7,539,499)	42,379	-	3,743,716
Revaluation reserve	7,598,360	-	-	-	-	7,598,360
	15,383,072	11,747,182	(10,578,210)	42,379	172,670	16,767,093

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ Losses £	Balance at 31 December 2020 £
Unrestricted funds					
Free Reserves	5,304,707	2,563,707	(2,516,464)	92,845	5,444,795
Non-Charitable Subsidiaries	1,393,394	8,448,937	(7,502,414)	-	2,339,917
Revaluation reserve	7,598,360	-	-	-	7,598,360
	14,296,461	11,012,644	(10,018,878)	92,845	15,383,072

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds - current period

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

Analysis of net assets between funds prior - period

	Unrestricted funds 2020 £	Total funds 2020 £
<i>Tangible fixed assets</i>	8,632,880	8,632,880
<i>Intangible fixed assets</i>	308,291	308,291
<i>Fixed asset investments</i>	1,621,255	1,621,255
<i>Investment property</i>	2,000,000	2,000,000
<i>Current assets</i>	4,120,972	4,120,972
<i>Creditors due within one year</i>	(1,300,327)	(1,300,327)
Total	15,383,071	15,383,071

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

	Group 2021 £	Group 2020 £
Net income for the period (as per Statement of Financial Activities)	1,384,021	1,086,610
Adjustments for:		
Depreciation charges	179,824	168,912
Amortisation charges	150,214	216,166
Revaluation on investments	(170,796)	(84,431)
Dividends, interests and rents from investments	(114,826)	(143,604)
Profit on the sale of investments	-	(8,414)
Decrease in stocks	8,530	76,491
Increase in debtors	(547,981)	(190,017)
Increase in creditors	1,047,510	230,855
Net cash provided by operating activities	1,936,496	1,352,568

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2021	Group 2020
	£	£
Cash in hand	2,301,525	2,026,770
Total cash and cash equivalents	2,301,525	2,026,770

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2021	Cash flows	At 31 December 2021
	£	£	£
Cash at bank and in hand	2,026,770	274,755	2,301,525
	2,026,770	274,755	2,301,525

27. CAPITAL COMMITMENTS

At the year end the Charity had non cancellable capital commitments of £Nil (2020: £1,035,000) relating to its new Head Office.

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 (previously Phoenix Life & Pension Ltd, ceased December 2020). 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 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Not later than 1 year	115,894	325,395	15,139	177,959
Later than 1 year and not later than 5 years	32,823	291,730	3,325	157,512
	148,717	617,125	18,464	335,471

30. RELATED PARTY TRANSACTIONS

- During the year, the following transactions took place between the Charity and its wholly controlled subsidiaries, The Cattle information Service Limited (CIS), The Centre for Dairy Information Limited (CDI) and National Bovine Data Centre Limited (NBDC):
- the Charity is party to a Group registration for VAT purposes. As the representative member, the Charity is jointly and severally liable for any VAT liabilities of the subsidiary companies that are part of the same VAT registration;
- the provision of property under lease agreement renewable annually by the Charity to CIS amounted to £36,000 (2020: £36,000);
- the provision of staff by the Charity to CIS and NBDC amounted to £262,826 (2020: £287,971) and £56,425 (2020: £59,949) respectively;
- the provision of administrative costs by the Charity to CIS and NBDC amounted to £45,194 (2020: £39,900) and £8,390 (2020: £8,276) respectively;
- the transfer of Gift Aid of the trading profits of CIS to the Charity of £1,332,888 (2020: £1,066,682);
- the outstanding balances as at 31 December 2021, from the Charity to CIS was £2,060,736 (2020: £2,158,468), and from CDI and NBDC to the Charity was £212,375 (2020: £212,375) and £374,220 (2020: £1,953,565) respectively;
- the outstanding balance from CDI and NBDC are secured over the respective Company's assets, and is repayable on demand;
- the provision of laboratory testing services by CIS to the Charity is received on the same terms as they are received by other beneficiaries of the Charity.

31. PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the Charity:

Names	Company number	Registered office or principal place of business	Principal activity	Class of shares	Holding	Included in consolidation
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	Speir House, Stafford Park 1, Telford, Shropshire, TF3 3BD	Support activities for animal production - currently dormant	Limited by guarantee and no share capital.	100%	Yes
National Bovine Data Centre LTD	10052419	Speir House, Stafford Park 1, Telford, Shropshire, TF3 3BD	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	7,446,123	6,113,234	1,332,889	2,098,873
The Centre for Dairy Information LTD	-	-	-	(163,571)
National Bovine Data Centre LTD	1,454,796	(1,383,886)	70,910	(299,114)

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