

# ANNUAL REPORT & ACCOUNTS

FOR THE PERIOD ENDED 31ST DECEMBER 2015



## OFFICERS OF THE SOCIETY

**President** - Mr R Miller

**Chairman** - Mr A Dutton

### Registered Office

Scotsbridge House, Rickmansworth,  
Hertfordshire WD3 3BB

## ADVISORS TO THE SOCIETY

### Auditors

Cox Costello & Horne Limited,  
Langwood House, 63-81 High Street,  
Rickmansworth, Hertfordshire WD3 1EQ

### Bankers

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

### Fund Managers

Charles Stanley & Co Limited,  
25 Luke Street, London EC2A 4AR

### Solicitors

Gabb & Co, 32 Monk Street,  
Abergavenny NP7 5NW

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Cover image: Wormanby Herd, Cumbria

# PRESIDENT'S REPORT

## RANDOLPH MILLER (MOORSHARD)

It has been a great honour to be President of the Holstein society. The first winter, Marlene and I attended sixteen dinners and three AGMs. One week we had three dinners in three nights in three different countries – Scotland, Shropshire and South Wales. We then came to the show season where we attended the major shows up and down the UK. We would like to thank everyone for making us so welcome at all events.

I have been lucky enough to do two President's Medal and Little Star interviews. The 2014 President's Medal winner was Thomas Hill and the Little Star winner was Jonathan Woodhouse. The 2015 President's Medal winner was Michael Yates and the Little Star winner was Lydia Griffiths.

On 10 August, tragedy struck with the sudden death of our eldest daughter, Hazel. We would sincerely like to thank all who sent messages of condolence.

Thank you to Andrew Dutton who has been a great help throughout the year, our Chief Executive, Richard Jones for his support and Meurig James who is doing a great job with the classifiers and has been a good friend throughout the year. Our travels were made much easier with the help of Rebecca Kirk and now Hannah Williams.

My term as President has been twenty months in order to bring the Celebration around to June (some would say it is for bad behaviour). I have thoroughly enjoyed my time as President and have tried to represent the society to the best of my ability. I would like to wish David and Sheila Tomlinson all the best for the coming year.

Randolph Miller  
25th May 2016



# CHAIRMAN'S REPORT

## ANDREW DUTTON (ROYAN)

With the change of the financial year end, it is a pleasure once again to report a successful (although shortened) year. This has been achieved by Richard Jones and his team, with a thorough examination of all departments and considerable changes made to the way we work. You the members must be thanked for continuing to register and classify cattle in these difficult times and it goes to show the products Holstein UK (HUK) have available and are introducing are worthwhile and valued by the members.

With the introduction of KPIs in 2014 we now have a system that gives HUK a proper structure and performance management right from the top, starting with the trustees setting Richard's targets for the year. One of these targets is to continue to find ways of reducing the prices charged to members for Holstein UK services. Richard has made a good start to this with the 5% reduction in January but the trustees have made it clear that this must be the start, and not the finish of price cutting.

As well as registrations, type classification is proving to be as popular as ever. With Meurig James appointed as Head Classifier and two new classifiers on the team, we are now working to support our members in developing top class Holstein and Friesian cows. We are also building up the number of beef breeds we classify, which will help to keep our costs down.

UK Dairy Day (UKDD) proved to be a huge success in 2015 and after the initial loss in the first year it was a credit to the team to be able to post a significant profit. Carl Smith as show director and Sue Cope leading the team must be congratulated for achieving this in a tough business environment and I know the trustees are very pleased with the results. Planning for the 2016 UKDD is already well advanced and one major change is that from 2016 entry to the UKDD is free of charge, so please come along to visit the UKDD, see the cows on show, meet the trade stand exhibitors and make sure your business is ready to meet its challenges head on. With the changing of staff we said goodbye to Lynette Steel who played a part in UKDD and we wish her well for the future. In Lynette's place we welcome Hannah Williams as Head of

Events, and Joanna Van Driel as Head of Marketing and I am sure you will see further improvements over the next few months.

The trustees have decided to move away from the non-executive director positions and are trying a new format of four sub-committees; Finance, Show & Sale, Science and Operations. These groups will meet separately to concentrate on key developments and issues with full reports being given at the main trustee meetings.

Whilst this is all going on the preparation for the eventual sale of Scotsbridge House is gathering pace. As charity trustees, we have to be sure the Charity Commission and HMRC are happy with any possible sale so we mitigate any potential tax risk. Richard Jones is managing this process and once it is completed, the trustees will then be able to look at the options that are available for the move.

The Cattle Information Service Limited (CIS) has once again had a successful year under the guidance of Sue Cope and staff. In what has been a cost cutting time for dairy farmers, CIS have been able to keep numbers up and provide the services farmers need. Suzanne Harding is leaving after many years at HUK and CIS, we wish her well in her new role as Secretary-General to the World Holstein Friesian Federation.

It is a pleasure to represent the members throughout the United Kingdom at shows, dinners, club meetings and so on and I thank you all for the wonderful hospitality Edith and I have received.

I would like to take this opportunity to thank my family at home and the support of the staff at Brookley Meadows, the trustees for the positive way we are moving forward and Richard and staff for their help throughout the year.

Finally, I would like to thank Randolph and Marlene Miller on your behalf for carrying on with Presidential duties after the loss of Hazel. They have been marvellous ambassadors for Holstein UK and for our industry.

Andrew Dutton  
25th May 2016



# REPORT OF THE TRUSTEES

## TRUSTEES' REPORT

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period ended 31 December 2015.

### REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Company number** 3674328 (England and Wales)

**Registered Charity number** 1072998

**Registered office**

Scotsbridge House, Rickmansworth, Hertfordshire WD3 3BB

**Trustees**

The trustees who served during the period were:-

<b>ELECTED 2007</b>	Mr W I Watson	Northern Ireland
<b>ELECTED 2008</b>	Mr J D Jamieson	Scotland
<b>ELECTED 2009</b>	Mr J Cousar	Scotland
	Mr A J Dutton	North Midlands
<b>ELECTED 2010</b>	Mr A Birkle	East Midlands
	Mr C Smith	Lancashire
<b>ELECTED 2011</b>	Mr A R Jones	North Wales
	Mr M J Carr	South Eastern
	Mr S J Brough	Northern
<b>ELECTED 2012</b>	Mr I R Morgan	South Wales
	Mrs J Targett	Southern
	Mr E Griffiths	Yorkshire
<b>ELECTED 2013</b>	Mr R A Bown	West Midlands
	Mr K W Proctor	Eastern
<b>ELECTED 2014</b>	Mr M Nutsford	North Western
	Mr M Smale	Far Western

**Chief Executive Officer**

Mr Richard Jones

**Website**

www.ukcows.com

**Secretary**

Kerry Secretarial Services Limited

**Principal Bankers**

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

**Solicitors**

Gabb & Co, 32 Monk Street, Abergavenny, NP7 5NW

**Auditors**

Cox Costello & Horne Limited, Chartered Accountants and Statutory Auditors, Langwood House, 63-81 High Street, Rickmansworth, Hertfordshire WD3 1EQ

**Fund Managers**

Charles Stanley & Co Limited, 25 Luke Street, London EC2A 4AR

### STRUCTURE, GOVERNANCE AND MANAGEMENT

**Structure and management**

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, 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 Board.

**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 the Executive Team and provides advice, guidance and support on an on-going basis. 16 trustees comprised the Board at 26 April 2016. All trustees are members of the charity and directors of the charitable company.

During the period there were 4 (Year Ended 31.3.15: 7) trustees meetings, which achieved an 83% (Year Ended 31.3.15: 86%) attendance. The individual trustees percentage attendance for the period was as follows: A Birkle 100%, R Bown 100%, S Brough 100%, M Carr 50%, J Cousar 100%, A Dutton 100%, E Griffiths 75%, J Jamieson 75%, A Jones 75%, I Morgan 100%, M Nutsford 75%, K Proctor 75%, M Smale 50%, C Smith 75%, J Targett 100%, I Watson 75%. The amount of expenses reimbursed to trustees during the period was £29,855 (Year Ended 31.3.15: £57,307).

### Appointment of new trustees

The Articles of Association allows for the appointment of up to sixteen trustees, who are eligible to serve for a period of four years. The trustees also have the power to co-opt three members to the Board to fill specialist roles. Co-opted members are appointed on annual basis at each subsequent Annual General Meeting (AGM). All members within the region of the retiring trustees are circulated with invitations to nominate trustees prior to the AGM.

### Induction and training of new 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 committee 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 undertaking of their role.

### Committees

All trustees serve on one committee. The committees are delegated specific responsibilities by the Team. They provide counsel, expertise and support to the Executive Board. Committees undertake an evaluation of performance on a periodic basis and use any feedback to support improvements in the 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, in addition to a rolling five-year financial plan. 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 Operations Officer, Head of Finance, Head of Marketing.

### Members

The charity's constitution allows the appointment of members and has no restriction on member numbers. They are entitled to attend all general meetings, including the AGM, where they receive the annual report and accounts and elect or re-elect trustees. Regular contact is maintained with members, mainly through the bi-monthly magazine "The Journal".

### Financial statements

The audited consolidated financial statements comply with the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities as revised in 2005, 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.

### Charity status

The charity has no restriction on member numbers. There are currently 5,898 members, of which 16 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.

### Governing document

The charity incorporated on 25 November 1998 and is governed by its Memorandum and Articles of Association.

## OBJECTIVES AND ACTIVITIES

### Objectives and aims

The objects for which the charity is established are to encourage, promote and improve the breeding of Holstein & Friesian cattle in the United Kingdom.

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 Friesian, in a sustainable manner consistent with the advancement of animal welfare and environmental protection. In doing so, to be recognised as the preeminent Independent Dairy Cattle Breed Society in the world through the provision of animal information and member services. Our key objectives for the year have included the promotion of animal registration and assessment.

Membership of the charity is available not only to those whose interests are in the husbandry of Holstein and Friesian cattle, but the wider general public. Within the categories of membership there is a junior section for those aged up to 27 years of age with similar interest to those above and again this section is not restricted. The charity also offers a reduced membership for families 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.

### Principal activities

The principal activity of the charity is that of the promotion of the Holstein breed and the recording and maintenance of pedigree records for the benefit of charity members.

The charity has continued to undertake registrations of animals, registering 188,671 females during the full year January to December 2015 (comparable 2014: 189,381). 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 2015, 147,039 (comparable 2014: 143,292) details were passed to the Cattle Movement Service as passport applications. Also within the full

year, the charity undertook 127,885 (comparable 2014: 125,325) inspections of animals which were assessed on 20 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 assessments are acknowledged by the industry for independent use in valuation of animals.

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

## OBJECTIVES AND ACTIVITIES

### Objectives and aims

The charity helps to facilitate the improvement of the breed through a broad range of research and policy activities, latterly these have included the development of an independent breeding programme. The charity has developed the "Virtual cow", a product which offers enormous benefits for education, training and welfare breeding outcomes. This product is freely available to UK educational establishments and is used overseas by a number of Herd Book associations. The charity continues to collect information on a variety of traits and expand its research. A more recent development has been the availability of independent breeding programme.

The charity has made representations and responded on a number of matters relating to dairy industry within Government and other recognised bodies. Information is available to the wider community via the charity's own website [www.holstein-uk.org](http://www.holstein-uk.org) and via its trading subsidiaries [www.thecis.co.uk](http://www.thecis.co.uk) and [www.thecdi.co.uk](http://www.thecdi.co.uk). The charity also publishes bi-monthly journals to communicate, and promote relevant topics to its members.

## STRATEGIC REPORT

### Investment 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 their capital value, in real terms, across an investment cycle. Charles Stanley & Co. manage the reserves on a discretionary basis. The portfolio is invested in a range of securities in line with levels agreed between the charity and Charles Stanley & Co.

The charity ensures that performance is managed against appropriate benchmarks. The income from investments for the year was £21,990 (Year Ended 31.3.15: £30,691) and investment losses totalled £115,456 (Year Ended 31.3.15: £68,923 gain). Across the asset classes, returns were generally in line with benchmarks. A review of the policy is conducted every year.

### Financial review

The annual accounts hereon in report on the nine month period to December 2015. Our accounting year was shortened so future accounting periods could better reflect our activities during the calendar year.

The financial performance for the group during the nine months to December 2015 was a continuation of the success of the twelve months prior.

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 and other farm events.

Group consolidated income for the nine month period totalled £7,428,169 (prior twelve month period March 2015: £9,530,090). On a like-for-like comparative basis, the group performed well. The second UK Dairy Day saw an increase in income of £126,854 over the 2015 event. This offset a reduction in registration income due to the fall in numbers. Income was also reduced by £52,057 after the Board and executive management team continued to suspend late fines until March 2016.

The Cattle Information Service Ltd (CIS) continued, once again, to make great gains by increasing incoming resources by £230,190 over the comparative nine month period. The Centre For Dairy Information Ltd (CDI) made a loss of £33,000 due to inter-company salary recharges. Efforts are being made by the board of trustees to seek new ventures for the company to mitigate these losses in the future.

Group consolidated expenditure for the nine month period was £6,965,083 (prior twelve month period March 2015: £9,026,720) of which 46% (March 2015: 44%) was spent on charitable activities. Overall, expenditure was less than was budgeted for by 5% (before depreciation).

### 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 objects

A substantial proportion of the reserves are held in property and assets other than 'managed cash and investments'. At the period end, assets represented by Net Current Assets represented on average 7 (31.3.15: 5) weeks running costs. Assets which could be reasonably realised represented 76% (31.3.15: 45%) 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.

### 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 consider non-financial risk arising from fire, and health and safety aspects of the employment of its staff. A key element in the management of financial risk is the setting of a reserves policy.

### Plans for the future

The charity will continue to promote and encourage the breeding of Holstein and Friesian cattle within the UK dairy herd. Where appropriate, links with other industry bodies and parties are being encouraged to achieve the charity's objectives. Centralising information and data for the benefit improvement of the dairy breed and the promotion of "complete" management systems, which embrace all the charity's services to its members, remains a key feature in the trustees' plans, along with the expansion of health and welfare testing within the UK, and the collection of on farm data for research. The charity has redeveloped its independent mating program, again freely available, and will look to encourage its wider use. Where appropriate the charity will undertake research into available information promoting and disseminating the results to breeders. The charity resolves to disseminate the advice and information on an independent basis.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Holstein UK Incorporating British Friesian Breeders for the purposes of company law) are responsible for preparing the Trustees' Annual 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 year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## AUDITORS

A resolution for the reappointment of Cox, Costello and Horne Ltd as auditors for the charity will be proposed at the forthcoming Annual General Meeting.

The Trustees' Report were signed on behalf of the trustees:



Mr A J Dutton - Chairman  
25th May 2016

# REPORT OF THE INDEPENDENT AUDITORS

We have audited the financial statements of Holstein UK Incorporating British Friesian Breeders for the period ended 31 December 2015, which comprise the group statement of financial activities (incorporating an income and expenditure account), the consolidated group and parent charitable balance sheets, the consolidated information on group cash flow statement and related notes numbered 1 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page eight, 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

The maintenance and integrity of the charitable company's website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

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 2015 and of the group's incoming resources and application of resources, including its income and expenditure and cash flows, for the period 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.

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charity or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity 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.

Michael F Cox BSc FCA (Senior Statutory Auditor) for and on behalf of Cox Costello & Horne Limited, Chartered Accountants and Statutory Auditors, Langwood House, 63-81 High Street, Rickmansworth, Hertfordshire WD3 1EQ

Date: 25th May 2016

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

FOR THE PERIOD ENDED 31 DECEMBER 2015

		Period 1.4.15 to 31.12.15 Unrestricted funds	Year Ended 31.3.15 Total funds
	Notes	£	£
<b>INCOME</b>			
Donations	3	17,139	17,844
<b>Charitable activities</b>			
Holstein society services	4	2,789,351	3,625,529
<b>Other trading activities</b>			
Commercial trading operations	5	4,545,167	5,775,108
Investment income	6	76,512	111,609
<b>Total income</b>		<b>7,428,169</b>	<b>9,530,090</b>
<b>EXPENDITURE</b>			
<b>Raising funds</b>			
Commercial trading operations		3,807,905	4,959,740
<b>Charitable activities</b>			
Holstein society services	7	3,157,178	4,066,980
<b>Total expenditure</b>		<b>6,965,083</b>	<b>9,026,720</b>
Gains on investments		789,544	68,923
<b>NET INCOME</b>		<b>1,252,630</b>	<b>572,293</b>
<b>Other recognised gains/(losses)</b>			
Gains on revaluation of fixed assets		2,845,000	-
<b>Net movement in funds</b>		<b>4,097,630</b>	<b>572,293</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		<b>6,814,859</b>	<b>6,242,566</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>10,912,489</b>	<b>6,814,859</b>

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the Consolidated Statement of Financial Activities (SOFA).

# BALANCE SHEETS

AT 31 DECEMBER 2015

		Group 31.12.15 Unrestricted funds	Group 31.3.15 Unrestricted funds	Charity 31.12.15 Total funds	Charity 31.3.15 Total funds
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	13	195,759	-	195,759	-
Tangible assets	14	6,564,811	3,859,221	5,025,049	2,116,091
<b>Investments</b>					
Investments	15	995,309	1,087,912	1,794,807	1,892,103
Investment property	16	2,000,000	1,095,000	2,600,000	1,765,000
<b>TOTAL FIXED ASSETS</b>		<b>9,755,879</b>	<b>6,042,133</b>	<b>9,615,615</b>	<b>5,773,194</b>
<b>CURRENT ASSETS</b>					
Stocks	17	120,004	95,347	-	-
Debtors	18	1,350,899	1,331,702	2,025,805	1,545,224
Cash at bank and in hand		833,140	495,568	19,384	289,038
<b>TOTAL CURRENT ASSETS</b>		<b>2,304,043</b>	<b>1,922,617</b>	<b>2,045,189</b>	<b>1,834,262</b>
<b>LIABILITIES</b>					
Creditors: falling due within one year	19	(1,090,718)	(1,057,593)	(544,577)	(589,275)
<b>NET CURRENT ASSETS</b>		<b>1,213,325</b>	<b>865,024</b>	<b>1,500,612</b>	<b>1,244,987</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>10,969,204</b>	<b>6,907,157</b>	<b>11,116,227</b>	<b>7,018,181</b>
Creditors: falling due after more than one year	20	(8,965)	(92,298)	(8,965)	(92,298)
Provisions for liabilities	24	(47,750)	-	(47,750)	-
<b>NET ASSETS</b>		<b>10,912,489</b>	<b>6,814,859</b>	<b>11,059,512</b>	<b>6,925,883</b>
<b>THE FUNDS OF THE CHARITY</b>					
Unrestricted funds	25	6,079,160	4,826,530	6,226,183	4,992,554
Revaluation reserve	25	4,833,329	1,988,329	4,833,329	1,933,329
<b>TOTAL CHARITY FUNDS</b>		<b>10,912,489</b>	<b>6,814,859</b>	<b>11,059,512</b>	<b>6,925,883</b>

The financial statements on pages 10 to 33 were approved by the trustees on 25th May 2016 and signed on their behalf by:



Mr A J Dutton – chairman



Mr A R Jones - trustee

Registered Company number 3674328 (England and Wales) Registered Charity number 1072998

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE PERIOD ENDED 31 DECEMBER 2015

		Period 1.4.15 to 31.12.15	Year Ended 31.3.15
	Notes	£	£
<b>Net cash provided by operating activities:</b>	<b>33</b>	<b>663,410</b>	<b>553,271</b>
Cash flows from investing activities:			
Purchase of intangible fixed assets		(195,759)	-
Purchase of tangible fixed assets		(155,984)	(155,217)
Purchase of fixed asset investments		(176,488)	(391,054)
Sale of fixed asset investments		153,635	375,627
Dividends received		21,990	30,691
<b>Net cash used in investing activities</b>		<b>(352,606)</b>	<b>(139,953)</b>
Cash flows from financing activities:			
Bank loan repayments in year		(83,333)	(102,878)
<b>Net cash used in financing activities</b>		<b>(83,333)</b>	<b>(102,878)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>227,471</b>	<b>310,440</b>
Cash and cash equivalents at the beginning of the reporting period	34	463,097	152,657
Cash and cash equivalents at the end of the reporting period	34	690,568	463,097

# NOTES TO FINANCIAL STATEMENTS

## FOR THE PERIOD ENDED 31 DECEMBER 2015

### 1. ACCOUNTING POLICIES

#### **Preparation of the accounts on a going concern basis**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### **a) Basis of preparation**

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. These financial statements for the period ended 31 December 2015 are the first financial statements that comply with FRS 102. The date of transition is 1 April 2014 and the end of the last reporting period presented in the entity's most recent annual financial statements under its previous reporting framework is 31 March 2015. The financial statements are prepared in sterling.

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 notes.

#### **b) Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatements were required in these accounts. No reconciliation of opening balances is thus provided.

#### **c) Preparation of the accounts on a going concern basis**

The financial statements are drawn up on the going concern basis which assumes Holstein UK will continue in operational existence for the foreseeable future. The Board of Trustees have given due consideration to the working capital and cash flow requirements of Holstein UK. The Board of Trustees consider Holstein UK's current and forecast cash resources to be sufficient to cover the working capital requirements of the charity and its subsidiaries for at least 12 months from the date of signing the financial statements.

#### **d) Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiaries The Cattle Information Services Limited and The Centre for Dairy Information Limited on a line-by-line basis. Freehold property occupied by a subsidiary is disclosed as an investment property within the results of the parent and as a tangible fixed asset within the results of the group. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

#### **Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

#### **Investment in subsidiaries**

The consolidated financial statements incorporate the financial statements of the charity and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activity from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

#### **e) Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

#### **f) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

#### **g) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

#### **h) Unrestricted donations**

Charitable donations are recognised in the financial statements when the charitable donation has been received, or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

#### **i) Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

#### **j) Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Included within unrestricted funds is a revaluation reserve. The revaluation reserve arises from professional revaluations of charity's freehold properties (not including investment properties) which have taken place. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work.

#### **k) Expenditure and irrecoverable vat**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is classified under headings that aggregate all costs related to the category. A further analysis of this expenditure is given in notes.

- Cost of raising funds comprises the costs of commercial trading and their associated support costs.
- Expenditure on charitable activities includes the costs of society services undertaken to further the purpose of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### **l) Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's society services and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in the notes.

#### **m) Operating leases**

The charity classifies the lease of property, printing and motor vehicles as operating leases; the title to the property and equipment remains with the lessor and the lease agreements are usually replaced every 3 to 5 years whilst the economic life of such property and equipment typically exceeds this and vary between 20 to 50 years for property and 5 to 10 years for equipment. Rental charges are charged on a straight line basis over the term of the lease.

The charity has entered into commercial property leases as a lessor on its investment property portfolio.

#### **n) Foreign currencies**

Transactions denominated in foreign currencies are translated at the rate of exchange at the end of the month as an approximation to actual transaction dates. Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains/losses incurred are included in the SOFA for the period in which they are incurred.

#### **o) Taxation**

The charity is an institution within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains within categories covered by Section 505 of the Taxes Act 1988 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. The charity receives no similar exemption in respect of Value Added Tax.

The charity is an institution which is established for charitable purposes within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Tax Act 2010 (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The charity receives no similar exemption in respect of Value Added Tax. For this reason the charity is generally unable to recover input VAT it suffers on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures. The charity's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation. The subsidiary companies are VAT grouped with the charity.

#### **p) Intangible fixed assets**

Intangible fixed assets are initially measured at historic cost and subsequently carried at cost less accumulated amortisation and any accumulated impairment losses.

Website/applications development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- the technical feasibility of completing the website so that it will be available for use or sale;
- the intention to complete the website and use or sell it;
- the ability to use the website or to sell it;
- how the website will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the website;
- the ability to measure reliably the expenditure attributable to the website during its development.

At the reporting date, the charity assesses whether there is any indication that an asset may be impaired. An impairment loss is recognised if the recoverable amount of an asset is less than its carrying amount.

Amortisation is provided at rates calculated to write down the cost of each asset to its residual value (realistic value at the end of its economic life) on a systematic basis over its useful economic life. The amortisation rates in use on a straight line basis are as follows:

- Website/applications development costs - 5 years

#### **q) Tangible fixed assets**

Tangible fixed assets, excluding freehold land and buildings, are initially measured at historic cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring an asset into its intended working condition are included in the measurement of cost. Assets are capitalised where the purchase price exceeds £500. Freehold land and buildings are initially measured at historic cost and subsequently at their revalued amount, being its fair value at the date of revaluation. Any upward valuation is first applied to eliminate any accumulated depreciation. The cost of properties is their purchases price together with the cost of improvement works. Fair value is determined on an open market basis. Valuations are taken on a regular basis to ensure that the carrying amount does not differ materially from fair value at the reporting date.

Changes in fair value are reported in the SOFA and disclosed within other recognised gains and losses on the revaluation of fixed assets and taken to a separate revaluation reserve within funds of the charity.

At the reporting date, the charity assesses whether there is any indication that an asset may be impaired. An impairment loss is recognised if the recoverable amount of an asset is less than its carrying amount.

Depreciation is provided at rates calculated to write down the cost of each asset to its residual value (its scrap or realistic value at the end of its economic life) on a systematic basis over its useful economic life. The depreciation rates in use on a straight line basis are as follows:

Plant and machinery

- Laboratory and recording equipment - varying rates - 2, 5 to 10 years
- Furniture and fittings - varying rates - 5 to 10 years
- Motor vehicles - varying rates - 3 to 4 years
- Office machinery and equipment - varying rates - 2 to 8 years
- Computer equipment - 2 years

#### **r) Investments**

##### **Investments listed on a recognised stock exchange**

Fixed asset investment in quoted shares, traded bonds and similar investments are initially measured at cost and subsequently at fair value.

Changes in fair value are reported in the SOFA and disclosed within gains and losses on investment assets.

##### **Investment properties**

Investment properties are initially measured at cost and subsequently at fair value. Cost includes the purchase price together with improvement works. Fair value is determined on an open market basis. The SORP does not permit charities using FRS 102 to subsequently measure investment properties at their cost less accumulated depreciation and any accumulated impairment losses. Depreciation is not provided on investment properties.

Changes in fair value are reported in the SOFA and disclosed within gains and losses on investment assets.

##### **Investment in subsidiary undertakings**

Investments in subsidiary undertakings are initially stated at cost and subsequently measured at fair value. Fair value is determined on the Net Asset Value basis.

Changes in fair value are reported in the SOFA and disclosed within gains and losses on investment assets.

#### **s) Stocks**

Stocks are stated at the lower of cost and net realisable value. Stocks represent laboratory consumables utilised in testing processes. Net realisable value is based on estimated selling prices, less further costs expected to be incurred to finish and disposal. Provision is made for obsolete or slow-moving items where appropriate.

#### **t) Debtors**

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

#### **u) Cash at bank and in hand**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**v) Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**w) Financial instruments**

The charity 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.

**x) Provisions**

The charity provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. The charity has recognised specific provision for:

- Dilapidations on leasehold properties – this relates to the estimated future cost of building work required when vacating leasehold premises.

**y) Pension costs**

The charity 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, Phoenix Life & Pension Ltd. Contributions by the charity and employees are determined by the scheme rules. The charity acts as agent in collecting and paying over employee pension contributions. Once the contributions have been paid, the charity as employer has no further obligations. From 1 April 2015, the pension scheme has closed to new entrants and no further contributions are being made.

From 1 April 2015, under the Pensions Act 2008, the charity must put certain staff into a pension scheme and contribute towards it. This is called automatic enrolment. To comply with automatic enrolment laws, the charity signed a participation agreement with a pension provider by which staff become members of an independently administered pension plan. The charity and staff make contributions as specified in the plan.

At the balance sheet, contributions outstanding amounted to £122,190 (31.3.15: £1,698).

**z) Explanations of changes for FRS 102 adoption**

No restatement of items has been required in making the transition to FRS 102. FRS 102 allows for certain exemptions on transition date, although no exemptions were exercised by the charity. The transition date was 1 April 2014.

There are two significant restatements, which do not affect funds or net movement in funds:

- Under FRS 102, investment gains/(losses) are treated as part of net income.
- Year Ended 31.3.15: expenditure comparatives have been restated under the Charities SORP (FRS 102) for governance costs, which were previously disclosed separately on the SOFA. Under the Charities SORP (FRS 102), governance costs are included under support costs and allocated across the other categories of expenditure.

## 2. FINANCIAL PERFORMANCE OF THE CHARITY

The consolidated statement of financial activities includes the results of the charity's wholly owned and wholly controlled trading subsidiaries.

The summary financial performance of the charity alone is:

	Period 1.4.15 to 31.12.15 Unrestricted funds	Year Ended 31.3.15 Total funds
	£	£
Income	3,032,940	4,165,058
Gift aid from subsidiary companies	368,286	465,324
	3,401,226	4,630,382
Expenditure on charitable activities	2,882,447	4,066,990
Net gains on investments	714,850	67,492
<b>Net income</b>	<b>1,233,629</b>	<b>630,884</b>
<b>Other recognised gains/(losses)</b>		
Gains on revaluation of fixed assets	2,900,000	-
Total funds brought forward	6,925,883	6,294,999
<b>Total funds carried forward</b>	<b>11,059,512</b>	<b>6,925,883</b>
<b>Represented by:</b>		
Unrestricted income funds	6,226,183	4,992,554
Revaluation reserve	4,833,329	1,933,329
<b>Total funds carried forward</b>	<b>11,059,512</b>	<b>6,925,883</b>

## 3. INCOME FROM DONATIONS

	Period 1.4.15 to 31.12.15 Unrestricted funds	Year Ended 31.3.15 Total funds
	£	£
Gift aid	17,139	17,844

## 4. INCOME FROM CHARITABLE ACTIVITIES

	Period 1.4.15 to 31.12.15 Unrestricted funds	Year Ended 31.3.15 Total funds
	£	£
<b>HOLSTEIN SOCIETY SERVICES</b>		
Member subscription fees	205,884	258,785
Herd book entry fees	1,383,132	1,895,636
Re-issue, transfer fees and fines	2,814	54,909
Superior producer awards	19,575	27,606
Journal advertising	30,013	75,902
Linear assessment / classification fees	638,754	862,123
Catalogue and herd brochure services	5,043	5,385
Other society services	14,210	17,256
Herd book services and sundry income	65,195	130,050
Livestock events	424,731	297,877
<b>Total income from charitable activities</b>	<b>2,789,351</b>	<b>3,625,529</b>

## 5. INCOME EARNED FROM OTHER ACTIVITIES

The wholly owned and wholly controlled trading subsidiaries, The Cattle Information Service Ltd (company number SC144462) and The Centre for Dairy Information Ltd (company number 05409255), are incorporated in the United Kingdom and pay all their profits to the charity under the gift aid scheme. The Cattle Information Service Ltd undertakes all commercial trading operations concerning health testing and milk recording. The Centre for Dairy Information Ltd undertakes all commercial trading operations concerning resource information within the fields of cattle health, welfare and management. A summary of the trading results are shown below.

The summary financial performance of the subsidiaries alone is:

	Period 1.4.15 to 31.12.15 Unrestricted funds	Year Ended 31.3.15 Total funds
	£	£
Turnover	5,238,402	5,775,108
Cost of sales and administration costs	4,907,809	5,369,806
<b>Net profit</b>	<b>330,593</b>	<b>405,302</b>
Amount gift aided to the charity	(368,286)	(465,324)
Retained in subsidiary companies	(37,693)	(60,022)
The assets and liabilities of the subsidiaries were:		
Fixed assets	939,762	1,073,128
Current assets	1,616,196	927,347
Current liabilities	(1,900,484)	(1,307,309)
<b>Total net assets</b>	<b>655,474</b>	<b>693,166</b>
<b>Aggregate share capital and reserves</b>	<b>655,474</b>	<b>693,166</b>

## 6. INVESTMENT INCOME

	Period 1.4.15 to 31.12.15 Unrestricted funds	Year Ended 31.3.15 Total funds
	£	£
Rents receivable	54,522	80,918
Dividends from listed investments	21,990	30,691
	<b>76,512</b>	<b>111,609</b>

## 7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Period 1.4.15 to 31.12.15 Unrestricted funds	Year Ended 31.3.15 Total funds
	£	£
<b>HOLSTEIN SOCIETY SERVICES</b>		
Wages and salaries	1,263,606	1,641,323
Social security costs	134,195	196,046
Pension and other benefit costs	108,750	149,878
Hire of equipment and vehicles	147,115	154,220
Marketing and publicity	128,955	98,595
Conferences and other events	36,851	43,924
Livestock shows	377,946	490,552
Journal printing and circulation	118,408	118,779
Facilities management and utilities	163,520	153,386
Telephone	38,065	50,843
Postage and stationery	95,563	96,290
Computer maintenance	9,783	11,667
IT development charges	129,272	71,747
Field staff	136,801	212,829
Research and business development	19,086	26,239
Professional fees and charges	104,064	365,186
Staff training, recruitment and other office costs	54,264	78,769
Impairment losses for tangible fixed assets	15,000	-
Depreciation of tangible fixed assets	12,507	-
Bank charges	12,509	27,527
Bank loan interest	11,063	11,873
Governance costs (see note 9)	10,000	10,000
Support costs (see note 9)	29,855	57,307
<b>Total expenditure on charitable activities</b>	<b>3,157,178</b>	<b>4,066,980</b>

## 8. SUMMARY ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES

This table shows the cost of the charitable activities and the sources of income directly to support those activities.

	Period 1.4.15 to 31.12.15 Unrestricted funds	Year Ended 31.3.15 Total funds
	£	£
<b>HOLSTEIN SOCIETY SERVICES</b>		
Costs	(3,157,178)	(4,066,980)
Member subscription fees	205,884	258,785
Society services	2,583,467	3,366,744
Net cost funded from other income	(367,827)	(441,451)

## 9. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned to the charitable activities undertaken (see note 7) in the period. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

			Period 1.4.15 to 31.12.15 Unrestricted funds	
			£	
	General support	Governance		Basis of apportionment
Catering and venue hire for trustee and other business meetings	29,855	-	29,855	Invoiced
Audit fees	-	10,000	10,000	Governance
			39,855	

## 10. NET INCOME FOR THE PERIOD

This is stated after charging:

	Period 1.4.15 to 31.12.15	Year Ended 31.3.15
	£	£
Gift aid	17,139	17,844
Rents receivable	54,522	80,918
Auditors' remuneration – audit fees – parent	10,000	10,000
Auditors' remuneration – audit fees - subsidiaries	9,134	9,750
Auditors' remuneration – other services	43,097	57,225
Depreciation - owned assets	280,394	330,014
Hire of equipment and vehicles	255,865	303,387

## 11. ANALYSIS OF STAFF COSTS, TRUSTEES' REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs for the charity and group were as follows:

	Period 1.4.15 to 31.12.15	Year Ended 31.3.15
	£	£
Wages and salaries	2,236,017	2,909,226
Social security costs	222,757	326,033
Pension and other benefit costs	156,444	210,287
	2,615,218	3,445,546

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The number of employees whose emoluments fell within the following bands was:

	Period 1.4.15 to 31.12.15	Year Ended 31.3.15
	£	£
£60,001 - £70,000	-	2
£70,001 - £80,000	-	1
	-	3

The charity trustees were not paid or received any other benefits from employment with the charity or its subsidiaries in the period (Year Ended 31.3.15: £nil). No charity trustee received payment for professional or other services supplied to the charity (Year Ended 31.3.2015: £nil).

### Trustees' remuneration and expenses

	Period 1.4.15 to 31.12.15	Year Ended 31.3.15
	£	£
Trustees' expenses	29,855	57,307

### The cost of key management personnel

The key management personnel of the parent charity comprise the trustees, the Chief Executive Officer, Chief Operations Officer, Head of Finance and Head of Marketing. The total employee benefits of the key management personnel of the charity were £103,250 (Year Ended 31.03.15: £Nil).

The key management personnel of the group comprise those of the charity and the key management personnel of its wholly owned subsidiary The Cattle Information Service Ltd. The key management personnel of Cattle Information Service Ltd are the Managing Director, Head of Laboratory & Operations and the Laboratory Manager whose employee benefits total £105,953 (Year Ended 31.3.15: £138,500). The employee benefits of key management personnel for the group were therefore £209,203 (Year Ended 31.03.15: £138,500).

## 12. STAFF COSTS

	Period 1.4.15 to 31.12.15 Number	Year Ended 31.3.15 Number
	£	£
Average monthly head count (including casual and part-time staff)	114	114

Included in the average number of employees are 16 (Year Ended: 31.3.15 - 16) employees who were not employed full-time throughout the period.

## 13. INTANGIBLE FIXED ASSETS

### The Group and Charity

Website /  
applications  
development  
costs

£

#### COST

At 1 April 2015	-
Additions	195,759

#### NET BOOK VALUE

At 31 December 2015	195,759
At 31 March 2015	-

The intention of the trustees is for the website/applications to be fully operational during 2016 and consequently, amortisation has not been charged in the current period.

## 14. TANGIBLE FIXED ASSETS

### The Group

	Freehold land and buildings	Plant and machinery	Totals
	£	£	£
<b>COST OR VALUATION</b>			
At 1 April 2015	2,770,000	3,120,465	5,890,465
Additions	-	155,984	155,984
Revaluations	2,845,000	-	2,845,000
Impairments	(15,000)	-	(15,000)
At 31 December 2015	5,600,000	3,276,449	8,876,449
<b>DEPRECIATION</b>			
At 1 April 2015	-	2,031,244	2,031,244
Charge for year	-	280,394	280,394
At 31 December 2015	-	2,311,638	2,311,638
<b>NET BOOK VALUE</b>			
At 31 December 2015	5,600,000	964,811	6,564,811
At 31 March 2015	2,770,000	1,089,221	3,859,221

#### The Charity

	Freehold land and buildings	Plant and machinery	Totals
	£	£	£
<b>COST OR VALUATION</b>			
At 1 April 2015	2,100,000	1,241,313	3,341,313
Additions	-	21,465	21,465
Revaluations	2,900,000	-	2,900,000
At 31 December 2015	5,000,000	1,262,778	6,262,778
<b>DEPRECIATION</b>			
At 1 April 2015	-	1,225,222	1,225,222
Charge for year	-	12,507	12,507
At 31 December 2015	-	1,237,729	1,237,729
<b>NET BOOK VALUE</b>			
At 31 December 2015	5,000,000	25,049	5,025,049
At 31 March 2015	2,100,000	16,091	2,116,091

#### The Group

The freehold land and buildings at Scotsbridge House and Speir House were revalued at £5,000,000 and £600,000 respectively. Scotsbridge House was subject to a firm offer to purchase at the balance sheet date. Speir House valuation was undertaken by Towler Shaw Roberts LLP, Chartered Surveyors, on the 1 December 2015. The historical cost of freehold land and buildings were £352,948 and £615,000 (31.3.15: £352,948 and £615,000) respectively.

#### The Charity

The freehold land and buildings at Scotsbridge House were revalued at £5,000,000 following a firm offer to purchase at the balance sheet date. The historical cost of freehold land and buildings were £352,948 (31.3.15: £352,948).

## 15. FIXED ASSET INVESTMENTS

### The Group

	Listed investments
	£
<b>MARKET VALUE</b>	
At 1 April 2015	1,087,912
Additions at cost	176,488
Disposals	(153,635)
Exchange differences	6,857
Net losses	(122,313)
<b>MARKET VALUE</b>	
At 31 December 2015	995,309
At 31 March 2015	1,087,912

### The Charity

	Shares in group undertakings	Listed investments	Totals
	£	£	£
<b>MARKET VALUE</b>			
At 1 April 2015	804,191	1,087,912	1,892,103
Additions at cost	-	176,488	176,488
Disposals	-	(153,635)	(153,635)
Exchange differences	-	6,857	6,857
Net losses	(4,693)	(122,313)	(127,006)
<b>MARKET VALUE</b>			
At 31 December 2015	799,498	995,309	1,794,807
At 31 March 2015	804,191	1,087,912	1,892,103

### Analysis of listed investments:

	31.12.15	31.3.15
	£	£
Corporate Bonds - fixed interest	188,343	192,892
Equities - listed UK	275,643	333,075
Equities - listed international	467,771	500,917
Property and alternatives	63,552	61,028
	995,309	1,087,912

### The Group and Charity

Included within listed investments are overseas investments amounting to £490,372 (31.3.15: £526,125).

The historical cost of investments were £901,109 (31.3.15: £887,664). The trustees consider the value of the investments to be supported by their underlying assets.

### The Charity

The charity's investments at the balance sheet date in the share capital of subsidiary companies include the following:

#### The Cattle Information Service Limited

Nature of business: Milk recording and testing services

Class of share:	% holding	31.12.15	31.3.15
Ordinary A	100		
Ordinary B	100		
		<b>£</b>	<b>£</b>
Aggregate capital and reserves		<b>799,498</b>	804,191
Loss for the period/year		<b>(4,693)</b>	(1,431)

The subsidiary has been included in the financial statements as a fixed asset investment at the value of that company's net assets as at 31 December 2015. The cost of the investment was historically written off.

#### The Centre for Dairy Information Limited

Nature of business: Collection of statistics and data of livestock

Class of share:	% holding	31.12.15	31.3.15
Limited by guarantee and has no share capital	Deemed to be held at 100%		
		<b>£</b>	<b>£</b>
Aggregate reserves		<b>(144,024)</b>	(111,024)
Loss for the period/year		<b>(33,000)</b>	(58,591)

The results of the subsidiary have been included in the financial statements. The subsidiary has negative reserves as at 31 December 2015 and has been fully impaired.

## 16. INVESTMENT PROPERTY

### The Group

	£
<b>MARKET VALUE</b>	
At 1 April 2015 and 31 December 2015	1,095,000
Revaluation	905,000
<b>MARKET VALUE</b>	
At 31 December 2015	2,000,000
At 31 March 2015	1,095,000

### The Charity

	£
<b>MARKET VALUE</b>	
At 1 April 2015	1,765,000
Revaluations	850,000
Impairments	(15,000)
<b>MARKET VALUE</b>	
At 31 December 2015	2,600,000
At 31 March 2015	1,765,000

### The Group

The investment properties residing at the Scotsbridge House site were revalued at £2,000,000 following a firm offer to purchase at the balance sheet date. The historical cost of the properties were £400,236 (31.3.15: £400,236).

### The Charity

The investment properties residing at the Scotsbridge House site and Telford House were revalued at £2,000,000 and £600,000 respectively. Scotsbridge House was subject to a firm offer to purchase at the balance sheet date. Speir House valuation was undertaken by Towler Shaw Roberts LLP, Chartered Surveyors, on the 1 December 2015. The historical cost of the properties were £400,236 and £615,000 (31.3.15: £400,236 and £615,000) respectively.

## 17. STOCKS

	Group 31.12.15	Group 31.3.15	Charity 31.12.15	Charity 31.3.15
	£	£	£	£
Laboratory consumables	120,004	95,347	-	-

## 18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31.12.15	Group 31.3.15	Charity 31.12.15	Charity 31.3.15
	£	£	£	£
Trade debtors	1,124,374	1,173,739	503,951	596,128
Amounts owed by group undertakings	-	-	1,354,329	838,993
Other debtors	84,750	41,058	79,438	36,158
Prepayments and accrued income	141,775	116,905	88,087	73,945
	1,350,899	1,331,702	2,025,805	1,545,224

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

	Group 31.12.15	Group 31.3.15	Charity 31.12.15	Charity 31.3.15
	£	£	£	£
Bank loan and overdrafts (see note 21)	242,572	132,471	203,757	109,675
Trade creditors	36,384	135,118	27,295	71,732
Social security and other taxes	47,216	72,160	30,706	52,825
VAT	212,844	191,757	28,968	13,527
Other creditors	285,229	197,477	74,592	58,390
Accruals and deferred income	266,473	328,610	179,259	283,126
	1,090,718	1,057,593	544,577	589,275

## 20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.15	31.3.15
	£	£
Bank loan (see note 21)	8,965	92,298

## 21. BANK LOAN

### The Group

An analysis of the maturity of bank loan is given below:

	31.12.15	31.3.15
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	142,572	32,471
Bank loan	100,000	100,000
	242,572	132,471
Amounts falling between one and two years:		
Bank loan	8,965	92,298

### The Charity

An analysis of the maturity of bank loan is given below:

	31.12.15	31.3.15
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	103,757	9,675
Bank loan	100,000	100,000
	203,757	109,675
Amounts falling between one and two years:		
Bank loan	8,965	92,298

## 22. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Group 31.12.15	Group 31.3.15	Charity 31.12.15	Charity 31.3.15
	£	£	£	£
Expiring:				
Within one year	237,543	231,668	122,209	111,524
Between one and five years	293,969	115,084	183,196	40,737
	531,512	346,752	305,405	152,261

## 23. SECURED DEBTS

The following secured debts are included within creditors:

	Group 31.12.15	Group 31.3.15	Charity 31.12.15	Charity 31.3.15
	£	£	£	£
Bank overdrafts	142,572	32,471	103,757	9,675
Bank loan	108,965	192,298	108,965	192,298
Trade creditors	36,384	135,118	27,295	71,732
VAT	212,844	191,757	28,968	13,527

### The Group and Charity

The bank overdrafts are secured by a cross guarantee between the charity and group companies.

The bank loan is secured by a fixed charge against the freehold land and buildings of the charity.

Certain trade creditors are secured over the goods concerned.

The charity and group companies are party to a Group registration for VAT purposes. The charity is the representative member, and the charity and group companies are jointly and severally liable for any VAT liabilities of the Group that are part of the same VAT registration.

## 24. PROVISIONS

	Group 31.12.15	Group 31.3.15	Charity 31.12.15	Charity 31.3.15
	£	£	£	£
Leasehold property dilapidation	47,750	-	47,750	-

## 25. MOVEMENT IN FUNDS

### The Group

	At 1.4.15	Net movements in funds	At 31.12.15
<b>Unrestricted funds</b>			
Free reserves	4,133,363	1,290,323	5,423,686
Funds retained within a non-charitable subsidiary	693,167	(37,693)	655,474
Revaluation reserve fixed assets	1,988,329	2,845,000	4,833,329
<b>TOTAL FUNDS</b>	<b>6,814,859</b>	<b>4,097,630</b>	<b>10,912,489</b>

### The Charity

	At 1.4.15	Net movements in funds	At 31.12.15
<b>Unrestricted funds</b>			
Free reserves	4,992,554	1,233,629	6,226,183
Revaluation reserve tangible assets	1,933,329	2,900,000	4,833,329
<b>TOTAL FUNDS</b>	<b>6,925,883</b>	<b>4,133,629</b>	<b>11,059,512</b>

Net movement in funds, included in the above are as follows:

### The Group

	Incoming resources	Resources expended	Gains and (losses)	Movement in funds
	£	£	£	£
<b>Unrestricted funds</b>				
Free reserves	3,401,226	(2,900,447)	789,544	1,290,323
Funds retained within a non-charitable subsidiary	5,238,402	(5,276,095)	-	(37,693)
Revaluation reserve fixed assets	-	-	2,845,000	2,845,000
<b>TOTAL FUNDS</b>	<b>8,639,628</b>	<b>(8,176,542)</b>	<b>3,634,544</b>	<b>4,097,630</b>

### The Charity

	Incoming resources	Resources expended	Gains and (losses)	Movement in funds
	£	£	£	£
<b>Unrestricted funds</b>				
Free reserves	3,401,226	(2,882,447)	714,850	1,233,629
Revaluation reserve fixed assets	-	-	2,900,000	2,900,000
<b>TOTAL FUNDS</b>	<b>3,401,226</b>	<b>(2,882,447)</b>	<b>3,614,850</b>	<b>4,133,629</b>

## 26. PENSION COSTS

The charitable company (charity) and The Cattle Information Service Limited (subsidiary), both operate an occupational pension as a money purchase scheme providing benefits on a defined contribution basis. The schemes are registered or deemed registered under section 153 of the Finance Act 2004. The schemes are established under a Declaration of Trust and accordingly, are administered by an independent trustee with all assets and liabilities kept separate from the charity and subsidiary respectively. As from 1 April 2015, the schemes are closed to new entrants and no further contributions are taken and consequently the schemes are considered fully paid-up as at 31 March 2015.

### The charity

As from 1 January 1999, Holstein UK was established to unify the following societies: The Holstein Friesian Society of Great Britain & Ireland (HFS) and the British Holstein Society. At 31 December 1991, members of the HFS were on a defined benefits scheme and for those current members the money purchase scheme aims to provide similar benefits at normal retirement age to those previously provided under the HFS defined benefits scheme but these target benefits are not guaranteed. These members have individually calculated employer contribution rates calculated so that, on the basis of assumptions regarding future experience, the target benefits provided from the money purchase scheme will be similar to those which would have been provided had the previous defined benefit scheme continued.

The contribution rates for the money purchase scheme are subject to regular review by the charity and Phoenix Life Ltd (previously Royal & Sun Alliance Life & Pensions Ltd), although the charity is under no obligation to amend these contribution rates. For the 2015 scheme year, employee contribution rates for all employees and employer contribution rates for new and previous members who have joined the scheme have remained at 5% of pensionable earnings.

### The subsidiary

Prior to 9 July 2002, the subsidiary operated a pension plan, the Scottish Milk Group Pension Plan (SMGPP), providing benefits based on final pensionable earnings. At 9 July 2002, as part of a ownership restructure, for those current members the money purchase scheme aims to provide similar benefits at normal retirement age to those previously provided under the SMGPP but these target benefits are not guaranteed. These members have individually calculated employer contribution rates calculated so that, on the basis of assumptions regarding future experience, the target benefits provided from the money purchase scheme will be similar to those which would have been provided had they continued service within the SMGPP.

The contribution rates for the money purchase scheme are subject to regular review by the subsidiary and Phoenix Life (previously Royal & Sun Alliance Life & Pensions Ltd), although the subsidiary is under no obligation to amend these contribution rates. For the 2015 scheme year, employee contribution rates for all employees and employer contribution rates for new and previous members who have joined the scheme have remained at 5% of pensionable earnings.

### 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 the 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.

## 27. RELATED PARTY TRANSACTIONS

During the year, the following transactions took place between the charity and its wholly owned subsidiary The Cattle Information Service Ltd (CIS) and its wholly controlled subsidiary The Centre for Dairy Information Ltd (CDI):

- 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 bank overdraft in CIS is secured by a cross guarantee with the charity;
- the provision of property under lease agreement renewable annually by the charity to CIS amounted to £41,250 (Year Ended 31.03.15: £36,000);
- the grant of a non-exclusive licence to obtain the right to use certain materials renewable annually by the charity to CDI, amounted to £9,000 (Year Ended 31.03.15: £12,000);
- the provision of staff by the charity to CIS and CDI amounted to £135,902 (Year Ended 31.3.15: £168,355) and £58,006 (Year Ended 31.3.15: £88,245) respectively;
- the provision of administrative costs by the charity to CIS and CDI amounted to £67,380 (Year Ended 31.3.15: £nil) and £77,679 (Year Ended 31.3.15: £90,959) respectively;
- the transfer of gift aid of the trading profits of CIS to the charity of £368,286 (Year Ended 31.3.15: £465,324) of which £nil was outstanding as at 31 December 2015 (31.3.15: £nil);
- the outstanding balance from CIS and CDI to the charity as at 31 December 2015 was £1,103,817 (31.3.15: £656,002) and £250,512 (31.3.15: £182,991) respectively;

- the provision of interest on the outstanding balance of CIS and CDI by the charity as at 31 December 2015 was £12,955 (Year Ended 31.3.15: £14,484) and £nil (Year Ended 31.3.15 £nil) respectively. The trustees have considered while CDI has negative reserves not to charge interest to mitigate any further losses in CDI;
- the outstanding balance from CIS and CDI is secured over the respective company's assets, and is repayable on demand;
- the provision of laboratory testing services by CIS to the charity is received on the same terms as they are received by other beneficiaries of the charity.

## 28. FINANCIAL COMMITMENTS

During the period, the charity entered into an agreement for the design, development, support and maintenance of core charity web systems. The on-going costs incurred after the balance sheet date amounted to £144,050 and have not been included in these financial statements. The charity is contracted to host the annual UK Dairy Day, to be held in September 2016. The amount due for payment is £99,225 and have not been included in these financial statements.

## 29. POST BALANCE SHEETS EVENTS

Post balance sheet date, the charity entered in a 12 month service agreement for the design, development, support and maintenance of core charity web systems. The agreement forms part of an on-going project by the charity to upgrade the charity's website and IT systems generally.

## 30. ULTIMATE PARENT COMPANY

The charitable company is limited by guarantee and has no share capital. The charitable company is controlled by its members as a group and consequently there is no ultimate parent company.

## 31. ULTIMATE CONTROLLING PARTY

The trustees are of the opinion there is no ultimate controlling party of the charity.

## 32. COMPANY LIMITED BY GUARANTEE

The charitable company is limited by guarantee and has no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up, for payments of the debts and liabilities of the company, such amount as may be required, not exceeding £1.

### 33. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Period 1.4.15 to 31.12.15	Year Ended 31.3.15
	£	£
Net income for the reporting period (as per the consolidated statement of financial activities)	1,252,630	572,293
<b>Adjustments for:</b>		
Impairments	15,000	-
Depreciation charges	280,394	330,014
Gains on investments	(789,544)	(67,492)
Dividends received	(21,990)	(30,691)
(Increase)/decrease in stocks	(24,657)	18,119
Increase in debtors	(19,197)	(163,635)
Decrease in creditors	(29,226)	(105,337)
<b>Net cash provided by operating activities</b>	<b>663,410</b>	<b>553,271</b>

### 34. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.12.15	31.3.15
	£	£
Cash at bank	833,140	495,568
Bank overdrafts falling due within one year	(142,572)	(32,471)
<b>Total cash and cash equivalents</b>	<b>690,568</b>	<b>463,097</b>

## 35. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Period 1.4.15 to 31.12.15 Unrestricted funds	Year Ended 31.3.15 Total funds
	£	£
<b>INCOME</b>		
<b>Donations</b>		
Gift aid	17,139	17,844
<b>Charitable activities</b>		
Member subscription fees	205,884	258,785
Herd book entry fees	1,383,132	1,895,636
Re-issue, transfer fees and fines	2,814	54,909
Superior producer awards	19,575	27,606
Journal advertising	30,013	75,902
Linear assessment / classification fees	638,754	862,123
Catalogue and herd brochure services	5,043	5,385
Other society services	14,210	17,256
Herd book services and sundry income	65,195	130,050
Livestock events	424,731	297,877
	2,789,351	3,625,529
<b>Other trading activities</b>		
Testing and recording	4,400,574	5,576,296
Registrations and classification	113,560	140,177
AI data research extracts	11,361	14,442
Sundry income	19,672	44,193
	4,545,167	5,775,108
<b>Investment income</b>		
Rents received	54,522	80,918
Dividends receivable	21,990	30,691
	76,512	111,609
<b>Total income</b>	<b>7,428,169</b>	<b>9,530,090</b>

	Period 1.4.15 to 31.12.15 Unrestricted funds	Year Ended 31.3.15 Total funds
	£	£
<b>EXPENDITURE</b>		
<b>Other trading activities</b>		
Director's fees	6,250	10,000
Wages and salaries	966,161	1,257,903
Social security costs	88,562	129,987
Pensions and other benefit costs	47,694	60,409
Hire of equipment and vehicles	108,185	149,167
Speir House and laboratory costs	956,914	1,000,918
Vehicle costs	47,444	68,975
Subcontractors	1,039,562	1,411,504
Telephone	13,144	17,871
Postage and stationery	32,843	88,476
Marketing, media and promotion	36,098	67,241
Staff training, recruitment and other office costs	89,538	147,128
Trade and membership fees	-	3,130
Equipment fees and licencing	16,067	13,027
General administration	17,066	25,051
Consultancy costs	22,812	30,517
Legal and professional	37,851	137,241
Auditors' remuneration	9,134	9,750
Corporation tax	4,693	1,431
Depreciation of tangible fixed assets	267,887	330,014
	<b>3,807,905</b>	<b>4,959,740</b>

	Period 1.4.15 to 31.12.15 Unrestricted funds	Year Ended 31.3.15 Total funds
	£	£
<b>Charitable activities</b>		
Salaries and wages	1,263,606	1,641,323
Social security costs	134,195	196,046
Pensions and other benefit costs	108,750	149,878
Hire of equipment and vehicles	147,115	154,220
Marketing and publicity	128,955	98,595
Conferences and other events	36,851	43,924
Livestock shows	377,946	490,552
Journal printing and circulation	118,408	118,779
Facilities management and utilities	163,520	153,386
Telephone	38,065	50,843
Postage and stationery	95,563	96,290
Computer maintenance	9,783	11,667
IT development charges	129,272	71,747
Field staff	136,801	212,829
Research and business development	19,086	26,239
Professional fees and charges	104,064	365,186
Staff training, recruitment and other office costs	54,264	78,769
Bank charges	12,509	27,527
Bank loan interest	11,063	11,873
Impairment losses for tangible fixed assets	15,000	-
Depreciation of tangible fixed assets	12,507	-
	3,117,323	3,999,673
<b>Support costs - governance costs</b>		
Trustees' expenses	29,855	57,307
Auditors' remuneration	10,000	10,000
	39,855	67,307
<b>Total expenditure</b>	<b>6,965,083</b>	<b>9,026,720</b>
<b>Net gains/(losses) on investments</b>		
(Losses)/gains on listed investments	(115,456)	68,923
Gains on investment property	905,000	-
	789,544	68,923
<b>Net income</b>	<b>1,252,630</b>	<b>572,293</b>

# REGIONAL MEMBERSHIP STATISTICS

For the period 1 January 2015 to 31 December 2015

REGION	MEMBERS		REGISTRATIONS						CLASSIFICATIONS	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
			MALE		FEMALE		GRADED			
East Midlands	231	258	73	92	6546	6670	378	616	3761	5277
Eastern	133	155	23	26	2510	2522	74	69	2317	2222
Far Western	592	616	241	339	22112	21788	1209	2196	11793	12078
Lancashire	335	339	149	142	10514	10632	624	814	7056	7325
North Midlands	431	446	107	98	11244	11831	467	602	7529	7911
North Wales	226	241	57	75	6245	6643	185	557	4773	5979
North Western	564	609	217	263	20256	19407	1663	1190	12303	11269
Northern	466	486	283	333	16907	17052	1066	1382	10905	10455
Northern Ireland	911	910	938	976	22268	21429	1497	2786	17774	17434
Scotland	497	519	296	366	20434	20722	1571	1789	13236	11562
South Eastern	105	110	34	34	2307	3011	212	462	2021	2815
South Wales	583	624	141	129	19480	20244	1093	1503	18181	14334
Southern	484	501	156	187	18592	17795	1219	1334	10066	11312
Yorkshire	331	351	85	121	9199	9635	575	649	6086	5282
Overseas	9	12	2		57		1		84	70
<b>Total</b>	<b>5898</b>	<b>6177</b>	<b>2802</b>	<b>3181</b>	<b>188671</b>	<b>189381</b>	<b>11834</b>	<b>15949</b>	<b>127885</b>	<b>125325</b>

# CLUB CONTACTS

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