

Annual Report & Accounts

For the year ended 31 December 2016





Officers Of The Society

President - Mr D Tomlinson

Chairman - Mr A Dutton

Registered Office

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

Advisors To The Society

Auditors

Cox Costello & Horne

Chartered Accountants and Statutory Auditors
4th & 5th Floor, 14-15 Lower Grosvenor Place,
London SW1W 0EX

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

Contents

President's Report	3
Chairman's Report	4
Report of the Trustees	5
Report of the Independent Auditors	9
Consolidated Statement of Financial Activities	10
Consolidated and Charity Balance Sheets	11
Consolidated Cash Flow Statement	12
Notes to the Financial Statements	13

PRESIDENT'S REPORT

DAVID TOMLINSON (BILSRROW)

Being the President for the Holstein society over the last 12 months has been a huge privilege – an opportunity that has provided immense enjoyment, socialising, networking and learning.

Although many dairy farmers have faced hardship over the last couple of years, a more positive feeling is coming back into the industry and I'm confident that the future is bright. There is stability coming back as milk prices firm up and a more upbeat feeling among farmers is being voiced. Just a look at the remarkable activities, events and achievements of our younger members in Holstein Young Breeders (HYB) shows how the next generation are enthusiastic and passionate about taking our industry forwards.

The strength of HYB continues with member numbers high and engagement in the organisation very strong. Having visited the 2016 National Competitions Day, HYB Weekend Rally and All Breeds All Britain Calf Shows, I have seen this enthusiasm first-hand and it makes me extremely proud to be a part of such a committed youth movement in the dairy sector. The enjoyment and friendly competitiveness amongst the members are fantastic – as well as the way members work together to share experiences and knowledge and build friendships.

UK Dairy Day was a highlight for me in 2016. This event has really developed into a superb one-day dairy business show, both for commercial and pedigree breeders. In its fourth year, the event is

going from strength to strength and it provides a platform for businesses to showcase products, network, share knowledge and do business. It was wonderful to see the younger generation at last year's show, taking home many new ideas, techniques, equipment and technology to put into practice on their own working farms. It is with great credit to all the UK Dairy Day team for putting together what is now the UK's premier event for the dairy industry.

As we all know farming is a lifestyle, a commitment that is 24/7. The work that goes into the dairy industry is remarkable and farmers need rewarding and recognising for the good work that they do. The awards that Holstein UK presents throughout the year, including President's Medal and Master Breeder, are an excellent way to highlight some of these achievements and I'd encourage more people to get involved. As a whole, the dairy industry needs to continue to support each other for a successful and sustainable future. The network of Holstein UK regional clubs is a perfect way for farmers to connect and come together, to both discuss business and have fun!

I would like to thank everyone who has supported me throughout my term as President and I wish David Perry, the incoming President, all the best for his year in office.

David Tomlinson
24 May 2017



CHAIRMAN'S REPORT

ANDREW DUTTON (ROYAN)

It is with great pleasure to again report a successful year for the Holstein UK Group; this is especially rewarding considering the challenges our industry has faced due to the low milk price. The continued success within Holstein UK (HUK) cannot be attributed to any individual, but to the team effort from all departments within the organisation. You, the members, must also be thanked for recognising the benefits and value of HUK services, as you continue to register and classify cattle in these difficult times.

The positive position of the organisation is attributed to strong performance management. The trustees set the targets for our Chief Executive Officer, Richard Jones – and Richard and Chief Operations Officer Peter Martin, with the Executive Team, have provided excellent leadership throughout the year and have met these targets. The move of many activities from Scotsbridge House to the Midlands based Speir House is in progress, and as a result, we have welcomed new staff to fill key roles.

Type classification is proving to be as popular as ever. Under the leadership of Meurig James our Head Classifier, we continue to support our members in developing top class Holstein and British Friesian cows. The excellent standard of the UK Holstein was highlighted at the 2016 European Holstein Championship held in Colmar, where fifteen UK cattle were exhibited and gained five top three placings.

UK Dairy Day (UKDD) proved to be another huge success in 2016. Building on the achievements of the previous year, the event had additional dairy businesses exhibiting, more cattle exhibitors and increased visitor numbers. The event is the premier dairy show in the UK and is a credit to Hannah Williams and Sue Cope who lead the organising team. Planning for the 2017 UKDD is already well advanced - again offering free entry to all. Exhibitor bookings are already higher than 2016, and the sharing knowledge zone is being structured by Kate Cross to ensure every visitor has the opportunity to take valuable messages back to their farm business.

The HUK events have given me as Chairman a great opportunity to meet new and acquainted members throughout the year, and I have great pride to be a part of the society. It is a pleasure to represent HUK at shows, dinners and club meetings and I thank you all for the wonderful hospitality Edith and I have received.

Our Holstein Young Breeders (HYB) events have affirmed the positive future for our dairy industry. The excellent Weekend Rally hosted by the West Midlands HYB Club had 164 attendees with 16 teams participating from the UK and a team competing from

the Republic of Ireland. The Rally and the All Breeds Calf Show highlighted the talent we have in HYB. Members of HYB have also represented the UK very well internationally; a team of seven travelled to the European Young Breeders School where they received three days training and gained knowledge to share with their fellow HYB members. Matthew Williamson, Bob Lawrence, Peter Cotton and Robert Morley were selected to represent the UK at the Open Junior Show in Cremona. Congratulations must go to each member of the team on their fantastic results and in particular to Peter Cotton who was named Overall Champion. The HYB annual calendar has come to an end with the announcement of the President's Medal winner - the 2015 winner Michael Yates has done a sterling job representing both HUK and HYB. He has now handed the baton to joint winners Andrew Patton and Andrew Patterson, who I am sure will continue to represent HYB to the highest standard both nationally and internationally

The trustees have settled well into the four subcommittees: Finance, Science, Operations and Show and Sale. Full reports are given back to the board. With the growing interest from developers, it was decided to form a committee to deal with the sale of Scotsbridge House and the relocation of HUK. This committee will stay in place until both objectives have been achieved.

Both of our trading subsidiaries have made great progress throughout the year. The Cattle Information Service Limited (CIS) has once again had a successful year under the guidance of Sue Cope and staff. CIS have welcomed a significant number of new herds to milk recording, increased the volume of animal health testing and gained considerable market share. This is a testament to the whole team and to CIS customers who, in spite of the hardship in the industry, have invested in services to manage herds efficiently and protect cattle health and welfare. The Centre for Dairy Information (CDI) has been relaunched as the National Bovine Data Centre (NBDC).

I would like to take this opportunity to thank my family, especially my wife Edith, for their continued support. Also thanks to the staff at Brookley Meadows and the trustees for the positive way we are moving forwards – and a massive thank you to Richard and staff for their help throughout the year.

Finally, I would like to thank David and Sheila Tomlinson on your behalf for carrying out Presidential duties. They have been marvellous ambassadors for Holstein UK and for our industry.

Andrew Dutton
24 May 2017



REPORT OF THE TRUSTEES

TRUSTEES' REPORT

The trustees, who are also directors of the charitable company for the purposes of the Companies Act 2006, submit their annual report and the audited financial statements for the group for the year ended 31 December 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number 3674328 (England and Wales)

Registered Charity Number 1072998

Registered Office

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

Trustees

The trustees who served during the period were:-

ELECTED 2007	Mr W I Watson Retired 30.06.16	Northern Ireland
ELECTED 2008	Mr J D Jamieson	Scotland
ELECTED 2009	Mr J Cousar	Scotland
	Mr A J Dutton	North Midlands
ELECTED 2010	Mr A Birkle	East Midlands
	Mr C Smith	Lancashire
ELECTED 2011	Mr A R Jones	North Wales
	Mr M J Carr Retired 30.06.16	South Eastern
	Mr S J Brough	Northern
ELECTED 2012	Mr I R Morgan	South Wales
	Mrs J Targett	Southern
	Mr E Griffiths	Yorkshire
ELECTED 2013	Mr R A Bown Resigned 13.12.16	West Midlands
	Mr K W Proctor Retired 30.06.16	Eastern
ELECTED 2014	Mr M Nutsford	North Western
	Mr M Smale	Far Western
ELECTED 2016	Mr P Prior From 01.07.16	South East & Eastern
	Mr M McLean From 01.07.16	*Northern Ireland
VACANT		**West Midlands

* Mr W Gregg is currently representing Mr M McLean

** The West Midlands trustee resigned 13 December 2016 - an election is pending

Chief Executive Officer

Mr Richard Jones

Website

www.ukcows.com

Secretary

Mrs Melanie Harmitt

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 Team.

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. Sixteen trustees comprised the Board at 26 April 2016. All trustees are members of the charity and directors of the charitable company. During the reporting period there were 5 (2015: 4) trustees' meetings, which achieved an 88% (2015: 83%) attendance. The individual trustees percentage attendance for the reporting period was as follows: A Birkle 100%, R Bown 80%, S Brough 100%, M Carr 100%, J Cousar 100%, A Dutton 100%, E Griffiths 100%, J Jamieson 100%, A Jones 100%, M McLean/W Gregg 40%, I Morgan 80%, M Nutsford 100%, P Prior 67%, K Proctor 100%, M Smale 80%, C Smith 80%, J Targett 100%, I Watson 100%. The amount of expenses reimbursed to trustees during the reporting period was £28,120 (2015: £29,855).

Appointment of New Trustees

The Articles of Association allows for the appointment of up to 16 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 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.

Committees

All trustees serve on 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 Operations Officer, Head of Finance, Managing Director of CIS, Head Classifier, Head of Events, Head of HR and Head of NBDC.

Members

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

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), Charities (Accounts and Reports) Regulations 2008 and Charities SORP – FRS 102. 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 5,920 members, of which 14 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

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 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 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.

Activities

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 180,558 females during the full year January to December 2016 (comparable 2015: 188,671). 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 2016, 143,452 (comparable 2015: 147,039) details were passed to the British Cattle Movement Service as passport applications. Also, within the full year, the charity undertook 120,848 (comparable 2015: 127,885) 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 the valuation of animals.

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

The charity helps to facilitate the improvement of the breeds 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.

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

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 a real value across an investment cycle. Charles Stanley & Co. managed the reserves on a discretionary basis during 2016. The portfolio was invested in a range of securities in line with levels agreed between the charity and Charles Stanley & Co. In a Board decision in December 2016, it was decided that the management of the investment portfolio would be moved to Close Brothers Group PLC during 2017, under a similar arrangement to that with Charles Stanley & Co.

The charity ensures that performance is managed against appropriate benchmarks. The income from investments for the year was £25,183 (Period 2015: £21,990) and investment gains totalled £161,426 (Period 2015: £115,456 loss). Across the asset classes, returns were generally in line with benchmarks. A review of the policy is conducted every year.

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 reporting date, assets represented by Net Current Assets represented on average 5 (2015: 7) weeks' running costs. Assets which could be reasonably realised represented 55% (2015: 76%) 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.

Financial Review

The annual accounts presented are the report on the year to December 2016. The comparative period relates to the 9 months ended December 2015.

The financial performance for the group during the twelve months to December 2016 showed the impact of the wider issues facing the dairy industry.

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 twelve month period totalled £9,566,320 (Period 2015: £7,428,169). On a like-for-like comparative basis, income is down 3%.

The Cattle Information Service Ltd (CIS) continued, once again, to make great gains by increasing incoming resources by £148,818 over the previous comparative twelve month period. The Centre For Dairy Information Ltd (CDI) made a loss of £17,897 due to inter-company salary recharges.

In January 2016 the Board approved the establishment of a new trading subsidiary with shareholders drawn from across the dairy industry to replace the loss making Centre For Dairy Information. The new subsidiary is the National Bovine Data Centre Ltd. In making this change the trustees believe that they have addressed the issue of losses from CDI and expect the new company to be trading profitably within its first year of operation.

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.

Plans for the Future

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 has invested significantly in the online systems and tools available to its members – making these freely available and encouraging maximum use.

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.

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 FRS102).

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 FRS102 (applicable law and United Kingdom Accounting Standards). 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 and the group 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 auditors are 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 charitable company's auditors are aware of that information.

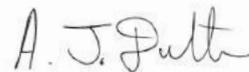
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

A resolution will be proposed at the forthcoming Annual General Meeting to reappoint Cox, Costello and Horne as auditors to the charitable company for the ensuing year.

The Trustees' Report (including the Strategic Report) were approved by

the Board of Trustees on the 24 May 2017 and authorised to be signed on its behalf by:



Mr A J Dutton - Chairman

24 May 2017

REPORT OF THE INDEPENDENT AUDITORS

We have audited the financial statements of Holstein UK Incorporating British Friesian Breeders for the year ended 31 December 2016, 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 36. 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 its 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 2016 and of the group's incoming resources and application of resources, including its income and expenditure and cash flows, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic 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, Chartered Accountants and Statutory Auditors, 4th & 5th Floor,

14-15 Lower Grosvenor Place, London, SW1W 0EX

24 May 2017

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

FOR THE YEAR ENDED 31 DECEMBER 2016

		Year Ended 31.12.16 Unrestricted funds	Period 1.4.15 to 31.12.15 Total funds
	Notes	£	£
INCOME			
Donations	3	-	17,139
Charitable activities			
Holstein society services	4	3,184,441	2,789,351
Other trading activities			
Commercial trading operations	5	6,270,391	4,545,167
Investment income	6	111,488	76,512
Total income		9,566,320	7,428,169
EXPENDITURE			
Raising funds			
Commercial trading operations			3,807,905
Charitable activities			
Holstein society services	7	4,681,367	3,157,178
Total expenditure		9,590,679	6,965,083
Gains on investments		173,332	789,544
NET INCOME		148,973	1,252,630
Other recognised gains/(losses)			
Gains on revaluation of fixed assets		2,659,783	2,845,000
Net movement in funds		2,808,756	4,097,630
RECONCILIATION OF FUNDS			
Total funds brought forward		10,912,489	6,814,859
TOTAL FUNDS CARRIED FORWARD		13,721,245	10,912,489

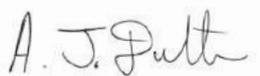
All amounts relate to continuing operations. All gains and losses recognised in the year are included in the Consolidated Statement of Financial Activities (SOFA).

CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 DECEMBER 2016

		Group 31.12.16 Unrestricted funds	Group 31.12.15 Unrestricted funds	Charity 31.12.16 Total funds	Charity 31.12.15 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	13	590,839	195,759	590,839	195,759
Tangible assets	14	8,975,052	6,564,811	7,615,774	5,025,049
Investments					
Investments	15	1,138,018	995,309	1,911,344	1,794,807
Investment property	16	2,011,059	2,000,000	2,611,059	2,600,000
TOTAL FIXED ASSETS		12,714,968	9,755,879	12,729,016	9,615,615
CURRENT ASSETS					
Stocks	17	103,020	120,004	-	-
Debtors	18	1,731,043	1,350,899	1,426,470	2,025,805
Cash at bank and in hand		245,986	833,140	118,115	19,384
TOTAL CURRENT ASSETS		2,080,049	2,304,043	1,544,585	2,045,189
LIABILITIES					
Creditors: falling due within one year	19	(1,073,772)	(1,090,718)	(390,434)	(544,577)
NET CURRENT ASSETS		1,006,277	1,213,325	1,154,151	1,500,612
TOTAL ASSETS LESS CURRENT LIABILITIES					
		13,721,245	10,969,204	13,883,167	11,116,227
Creditors: falling due after more than one year	20	-	(8,965)	-	(8,965)
Provisions for liabilities	24	-	(47,750)	-	(47,750)
NET ASSETS		13,721,245	10,912,489	13,883,167	11,059,512
THE FUNDS OF THE CHARITY					
Unrestricted funds	25	6,228,133	6,079,160	6,390,055	6,226,183
Revaluation reserve	25	7,493,112	4,833,329	7,493,112	4,833,329
TOTAL CHARITY FUNDS		13,721,245	10,912,489	13,883,167	11,059,512

The financial statements on pages 10 to 35 were approved by the trustees on 24th May 2017 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 YEAR ENDED 31 DECEMBER 2016

		Year Ended 31.12.16	Period 1.4.15 to 31.12.15
	Notes	£	£
Net cash provided by operating activities:	34	285,017	663,410
Cash flows from investing activities:			
Purchase of intangible fixed assets		(480,208)	(195,759)
Purchase of tangible fixed assets		(190,926)	(155,984)
Purchase of fixed asset investments		(235,620)	(176,488)
Sale of fixed asset investments		266,243	153,635
Improvements to investment property		(11,059)	-
Dividends received		25,183	21,990
Net cash used in investing activities		(626,387)	(352,606)
Cash flows from financing activities:			
Bank loan repayments in year		(108,965)	(83,333)
Net cash used in financing activities		(108,965)	(83,333)
Change in cash and cash equivalents in the reporting period		(450,335)	227,471
Cash and cash equivalents at the beginning of the reporting period	35	690,568	463,097
Cash and cash equivalents at the end of the reporting period	35	240,233	690,568

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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. 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) 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.

c) 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 (SOFA) 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 acquire 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.

d) 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 reporting period. However, the nature of estimation means that actual outcomes could differ from those estimates.

e) 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.

f) 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.

g) 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.

h) 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.

i) 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.

j) 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 been 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.

k) 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 bases on which support costs have been allocated are set out in the notes.

l) 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.

m) 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.

n) 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.

o) 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

p) 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. No depreciation is provided on Land. Depreciation is provided to write off the buildings over 50 years

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, 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

q) 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.

r) Stocks

Stocks are stated at the lower of cost and net realisable value. Stocks represent laboratory consumables utilised in testing processes. Cost is

determined using the first-in, first-out method. The cost of consumables comprises finished goods and other direct costs. 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.

s) 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.

t) 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.

u) 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.

v) 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.

w) 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.

x) 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 reporting date, contributions outstanding amounted to £13,900 (2015: £122,190).

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:

	Year Ended 31.12.16	Period 1.4.15 to 31.12.15
	Total funds	Total funds
	£	£
Income	3,443,701	3,032,940
Gift aid from subsidiary companies	761,135	368,286
	4,204,836	3,401,226
Expenditure on charitable activities	(4,428,124)	(2,882,447)
Exceptional other income	240,000	-
Gains on investments	147,160	714,850
Net income	163,872	1,233,629
Other recognised gains/(losses)		
Gains on revaluation of fixed assets	2,659,783	2,900,000
Total funds brought forward	11,059,512	6,925,883
Total funds carried forward	13,883,167	11,059,512
Represented by:		
Unrestricted income funds	6,390,055	6,226,183
Revaluation reserve	7,493,112	4,833,329
Total funds carried forward	13,883,167	11,059,512

3. INCOME FROM DONATIONS

	Year Ended 31.12.16	Period 1.4.15 to 31.12.15
	Total funds	Total funds
	£	£
Gift aid	-	17,139

4. INCOME FROM CHARITABLE ACTIVITIES

	Year Ended 31.12.16 Total funds	Period 1.4.15 to 31.12.15 Total funds
	£	£
HOLSTEIN SOCIETY SERVICES		
Member subscription fees	243,637	205,884
Herd book entry fees	1,497,501	1,383,132
Re-issue, transfer fees and fines	45,331	2,814
Breeder awards	25,828	19,575
Journal advertising	54,517	30,013
Linear assessment / classification fees	798,723	638,754
Catalogue and herd brochure services	17,728	5,043
Other society services	1,133	14,210
Herd book services and sundry income	109,361	65,195
Livestock events	390,682	424,731
Total income from charitable activities	3,184,441	2,789,351

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:

	Year Ended 31.12.16 Total funds	Period 1.4.15 to 31.12.15 Total funds
	£	£
Turnover	7,134,393	5,238,402
Cost of sales and administration costs	(6,414,329)	(4,907,809)
Net profit	720,064	330,593
Amount gift aided to the charity	(761,135)	(368,286)
Retained in subsidiary companies	(41,071)	(37,693)
The assets and liabilities of the subsidiaries were:		
Fixed assets	759,278	939,762
Current assets	1,108,847	1,616,196
Current liabilities	(1,256,722)	(1,900,484)
Total net assets	611,403	655,474
Aggregate share capital and reserves	611,403	655,474

6. INVESTMENT INCOME

	Year Ended 31.12.16 Total funds	Period 1.4.15 to 31.12.15 Total funds
	£	£
Rents receivable	86,305	54,522
Dividends from listed investments	25,183	21,990
	111,488	76,512

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Year Ended 31.12.16 Total funds	Period 1.4.15 to 31.12.15 Total funds
	£	£
HOLSTEIN SOCIETY SERVICES		
Wages and salaries	1,942,836	1,263,606
Social security costs	225,235	134,195
Pension and other benefit costs	132,618	108,750
Hire of equipment and vehicles	181,842	147,115
Marketing and publicity	191,628	128,955
Conferences and other events	98,360	36,851
Livestock shows	719,420	377,946
Journal printing and circulation	96,151	118,408
Facilities management and utilities	106,253	163,520
Telephone	40,195	38,065
Postage and stationery	161,615	95,563
Computer maintenance	81,982	9,783
IT development charges	153,795	129,272
Field staff	90,179	136,801
Research and business development	10,889	19,086
Professional fees and charges	57,308	104,064
Staff training, recruitment and other office costs	101,992	54,264
Impairment losses for tangible fixed assets	-	15,000
Depreciation of tangible fixed assets	208,462	12,507
Bank charges	27,737	12,509
Bank loan interest	14,750	11,063
Governance costs (see note 9)	10,000	10,000
Support costs (see note 9)	28,120	29,855
Total expenditure on charitable activities	4,681,367	3,157,178

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.

	Year Ended 31.12.16	Period 1.4.15 to 31.12.15
	Total funds	Total funds
	£	£
HOLSTEIN SOCIETY SERVICES		
Costs	(4,681,367)	(3,157,178)
Member subscription fees	243,637	205,884
Society services	2,940,804	2,583,467
Net cost funded from other income	(1,496,926)	(367,827)

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.

	Year Ended 31.12.16		Year Ended 31.12.16	
	General support	Governance	Unrestricted funds	Basis of apportionment
	£	£	£	
Catering and venue hire for trustee and other business meetings	28,120	-	28,120	Invoiced
Audit fees	-	10,000	10,000	Invoiced
			38,120	

10. NET INCOME FOR THE YEAR/PERIOD

This is stated after charging:

	Year Ended 31.12.16	Period 1.4.15 to 31.12.15
	£	£
Gift aid	-	17,139
Exceptional income	240,000	-
Rents receivable	86,305	54,522
Auditors' remuneration – audit fees – parent	10,000	10,000
Auditors' remuneration – audit fees - subsidiaries	12,000	9,134
Auditors' remuneration – other services	17,573	43,097
Depreciation - owned assets	440,468	280,394
Amortisation - owned assets	85,128	-
Hire of equipment and vehicles	324,156	255,300

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:

	Year Ended 31.12.16	Period 1.4.15 to 31.12.15
	£	£
Wages and salaries	3,256,201	2,236,017
Social security costs	375,789	222,757
Pension and other benefit costs	197,829	156,444
	3,829,819	2,615,218

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:

	Year Ended 31.12.16	Period 1.4.15 to 31.12.15
	£	£
£60,001 - £70,000	1	2
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
	3	3

Trustees' remuneration and expenses

The charity trustees were not paid or received any other benefits from employment with the charity or its subsidiaries in the reporting period (Period 2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (Period 2015: £nil).

	Year Ended 31.12.16	Period 1.4.15 to 31.12.15
	£	£
Trustees' expenses	28,120	29,855

The cost of key management personnel

The key management personnel of the parent charity comprise the trustees, the Chief Executive Officer, Chief Operations Officer and Chief Financial Officer. The total employee benefits of the key management personnel of the charity were £212,575 (Period 2015: £121,720).

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 and Head of Laboratory & Operations whose employee benefits total £136,000 (Period 2015: £138,500). The employee benefits of key management personnel for the group were therefore £348,575 (Period 2015: £260,220).

12. STAFF COSTS

	Year Ended 31.12.16	Period 1.4.15 to 31.12.15
	Number	Number
	£	£
Average monthly head count (including casual and part-time staff)	115	114

Included in the average number of employees are 16 (Period 2015: 16) employees who were not employed full-time throughout the reporting period.

13. INTANGIBLE FIXED ASSETS

The Group and Charity

	Website / applications development costs
	£
COST	
At 1 January 2016	195,759
Additions	480,208
At 31 December 2016	675,967
AMORTISATION	
Charge for year	85,128
NET BOOK VALUE	
At 31 December 2016	590,839
At 31 December 2015	195,759

14. TANGIBLE FIXED ASSETS

The Group

	Freehold land and buildings	Plant and machinery	Totals
	£	£	£
COST OR VALUATION			
At 1 January 2016	5,600,000	3,276,449	8,876,449
Additions	-	190,926	190,926
Revaluations	2,565,000	-	2,565,000
Disposals	-	(966,901)	(966,901)
At 31 December 2016	8,165,000	2,500,474	10,665,474
DEPRECIATION			
At 1 January 2016	-	2,311,638	2,311,638
Charge for year	94,783	345,685	440,468
Elimination on revaluation	(94,783)	-	(94,783)
Eliminated on disposal	-	(966,901)	(966,901)
At 31 December 2016	-	1,690,422	1,690,422
NET BOOK VALUE			
At 31 December 2016	8,165,000	810,052	8,975,052
At 31 December 2015	5,600,000	964,811	6,564,811

The Charity

	Freehold land and buildings	Plant and machinery	Totals
	£	£	£
COST OR VALUATION			
At 1 January 2016	5,000,000	1,262,778	6,262,778
Additions	-	54,276	54,276
Revaluations	2,565,000	-	2,565,000
Disposals	-	(751,264)	(751,264)
At 31 December 2016	7,565,000	565,790	8,130,790
DEPRECIATION			
At 1 January 2016	-	1,237,729	1,237,729
Charge for year	94,783	28,551	123,334
Elimination on revaluation	(94,783)	-	(94,783)
Eliminated on disposal	-	(751,264)	(751,264)
At 31 December 2016	-	515,016	515,016
NET BOOK VALUE			
At 31 December 2016	7,565,000	50,774	7,615,774
At 31 December 2015	5,000,000	25,049	5,025,049

The Group and the Charity

The freehold land and buildings at Scotsbridge House and Speir House were revalued at £7,565,000 and £600,000 respectively. The Scotsbridge valuation is based on a firm offer to purchase. 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 (2015: £352,948 and £615,000) respectively.

15. FIXED ASSET INVESTMENTS

The Group

	Listed investments
	£
MARKET VALUE	
At 1 January 2016	995,309
Additions at cost	235,620
Disposals	(266,243)
Net gains	173,332
MARKET VALUE	
At 31 December 2016	1,138,018
At 31 December 2015	995,309

The Charity

	Shares in group undertakings	Listed investments	Totals
	£	£	£
MARKET VALUE			
At 1 January 2016	799,498	995,309	1,794,807
Additions at cost	-	235,620	235,620
Disposals	-	(266,243)	(266,243)
Net (losses)/gains	(26,172)	173,332	147,160
MARKET VALUE			
At 31 December 2016	773,326	1,138,018	1,911,344
At 31 December 2015	799,498	995,309	1,794,807

Analysis of listed investments:

	31.12.16	31.12.15
	£	£
Corporate Bonds - fixed interest	190,707	188,343
Equities - listed UK	311,999	275,643
Equities - listed international	585,531	467,771
Property and alternatives	49,781	63,552
	1,138,018	995,309

The Group and Charity

Included within listed investments are overseas investments amounting to £585,531 (2015: £490,372).

The historical cost of investments was £912,928 (2015: £901,109). 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		
Ordinary A	100		
Ordinary B	100		
		31.12.16	31.12.15
		£	£
Aggregate capital and reserves		773,326	799,498
Loss for the period/year		(26,172)	(4,693)

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 2016. The historical cost of the investment was previously written off.

The Centre for Dairy Information Limited

Nature of business: Collection of statistics and data of livestock

Class of share:	% holding		
Limited by guarantee and has no share capital	Deemed to be held at 100		
		31.12.16	31.12.15
		£	£
Aggregate reserves		(161,922)	(144,024)
Loss for the period/year		(17,898)	(33,000)

The results of the subsidiary have been included in the financial statements. The subsidiary has negative reserves as at 31 December 2016 and has been fully impaired.

National Bovine Data Centre Limited

Nature of business: Data collection, analysis and dissemination of statistics and data of livestock

Class of share:	% holding		
Ordinary	100		
		31.12.16	31.12.15
		£	£
Aggregate reserves		-	-

16. INVESTMENT PROPERTY

The Group

	£
MARKET VALUE	
At 1 January 2016	2,000,000
Additions	11,059
MARKET VALUE	
At 31 December 2016	2,011,059
At 31 December 2015	2,000,000

The Charity

	£
MARKET VALUE	
At 1 January 2016	2,600,000
Additions	11,059
MARKET VALUE	
At 31 December 2016	2,611,059
At 31 December 2015	2,600,000

The Group

The investment properties residing at the Scotsbridge House site were revalued at £2,000,000 following a firm offer to purchase. The historical cost of the properties was £411,295 (2015: **£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. The Scotsbridge valuation is based on a firm offer to purchase. Speir House valuation was undertaken by Towler Shaw Roberts LLP, Chartered Surveyors, on the 1 December 2015. The historical cost of the properties were £411,295 and £615,000 (2015: £400,236 and £615,000) respectively.

17. STOCKS

	Group	Group	Charity	Charity
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Laboratory consumables	103,020	120,004	-	-

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31.12.16	Group 31.12.15	Charity 31.12.16	Charity 31.12.15
	£	£	£	£
Trade debtors	1,230,356	1,124,374	444,305	503,951
Amounts owed by group undertakings	-	-	567,631	1,354,329
Other debtors	320,000	84,750	315,099	79,438
Prepayments and accrued income	180,687	141,775	99,435	88,087
	1,731,043	1,350,899	1,426,470	2,025,805

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31.12.16	Group 31.12.15	Charity 31.12.16	Charity 31.12.15
	£	£	£	£
Bank loan and overdrafts (see note 21)	5,753	242,572	5,753	203,757
Trade creditors	371,465	36,384	140,155	27,295
Social security and other taxes	140,327	47,216	69,992	30,706
VAT	239,820	212,844	36,950	28,968
Other creditors	170,252	285,229	35,612	74,592
Accruals and deferred income	146,155	266,473	101,972	179,259
	1,073,772	1,090,718	390,434	544,577

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

The Group and Charity	31.12.16	31.12.15
	£	£
Bank loan (see note 21)	-	8,965

21. BANK LOAN

The Group

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

	31.12.16	31.12.15
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	5,753	142,572
Bank loan	-	100,000
	5,753	242,572
Amounts falling between one and two years:		
Bank loan	-	8,965

The Charity

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

	31.12.16	31.12.15
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	5,753	103,757
Bank loan	-	100,000
	5,753	203,757
Amounts falling between one and two years:		
Bank loan	-	8,965

22. OPERATING LEASE COMMITMENTS

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

	Group	Group	Charity	Charity
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Expiring:				
Within one year	361,977	237,543	176,872	122,209
Between one and five years	535,477	293,969	328,239	183,196
	897,454	531,512	505,111	305,405

23. SECURED DEBTS

The following secured debts are included within creditors:

	Group 31.12.16	Group 31.12.15	Charity 31.12.16	Charity 31.12.15
	£	£	£	£
Bank overdrafts	5,753	142,572	5,753	103,757
Bank loan	-	108,965	-	108,965
Trade creditors	371,465	36,384	140,155	27,295
VAT	239,820	212,844	36,950	28,968

The Group and Charity

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

The bank loan was 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 31.12.16	Group 31.12.15	Charity 31.12.16	Charity 31.12.15
	£	£	£	£
Leasehold property dilapidation	-	47,750	-	47,750

25. MOVEMENT IN FUNDS

The Group

	At 1.1.16	Net movements in funds	At 31.12.16
	£	£	£
Unrestricted funds			
Free reserves	5,423,686	190,044	5,613,730
Funds retained within a non-charitable subsidiary	655,474	(41,071)	614,403
Revaluation reserve fixed assets	4,833,329	2,659,783	7,493,112
TOTAL FUNDS	10,912,489	2,808,756	13,721,245

The Charity

	At 1.1.16	Net movements in funds	At 31.12.16
	£	£	£
Unrestricted funds			
Free reserves	6,226,183	163,872	6,390,055
Revaluation reserve tangible assets	4,833,329	2,659,783	7,493,112
TOTAL FUNDS	11,059,512	2,823,655	13,883,167

25. MOVEMENT IN FUNDS CONTINUED

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

The Group

	Incoming resources	Resources expended	Gains and (losses)	Movement in funds
	£	£	£	£
Unrestricted funds				
Free reserves	4,444,836	(4,428,124)	173,332	190,044
Funds retained within a non-charitable subsidiary	7,134,393	(7,175,464)	-	(41,071)
Revaluation reserve fixed assets	-	-	2,659,783	2,659,783
TOTAL FUNDS	11,579,229	(11,603,588)	2,833,115	2,808,756

The Charity

	Incoming resources	Resources expended	Gains and (losses)	Movement in funds
	£	£	£	£
Unrestricted funds				
Free reserves	4,444,836	(4,428,124)	147,160	163,872
Revaluation reserve fixed assets	-	-	2,659,783	2,659,783
TOTAL FUNDS	4,444,836	(4,428,124)	2,806,943	2,823,655

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.

26. PENSION COSTS CONTINUED

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 reporting period, 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 £36,000 (Period 2015: £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 £12,000 (Period 2015: £9,000);
- the provision of staff by the charity to CIS and CDI amounted to £198,886 (Period 2015: £168,252) and £66,686 (Period 2015: £58,006) respectively;
- the provision of administrative costs by the charity to CIS and CDI amounted to £18,305 (Period 2015: £67,380) and £95,511 (Period 2015: £77,679) respectively;
- the transfer of gift aid of the trading profits of CIS to the charity of £761,135 (Period 2015: £368,286) of which £nil was outstanding as at 31 December 2016 (2015: £nil);
- the outstanding balance from CIS and CDI to the charity as at 31 December 2016 was £245,241 (2015: £1,103,817) and £322,390 (2015: £250,512) respectively;
- the provision of interest on the outstanding balance of CIS and CDI by the charity as at 31 December 2016 was £4,184 (Period 2015: £12,955) and £nil (Period 2015: £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 2015, 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 £118,963 and have not been included in these financial statements.

29. POST BALANCE SHEETS EVENTS

There are no post balance events.

30. FINANCIAL INSTRUMENTS

The Group

The group has the following financial instruments:

		31.12.16	31.12.15
	Notes	£	£
Financial assets that are debt instruments measured at amortised cost			
- Cash and cash equivalents	35	245,986	833,140
- Trade debtors	18	1,230,356	1,124,374
- Other debtors - excluding taxes	18	320,000	84,750
		1,796,342	2,042,264
Financial liabilities measured at amortised cost			
- Bank overdrafts	21	5,753	142,572
- Bank loan	21	-	108,965
- Trade creditors	19	371,465	36,384
- Other creditors - excluding taxes	19	170,252	285,229
- Accruals	19	146,155	266,473
		693,625	839,623

The Charity

The charity has the following financial instruments:

		31.12.16	31.12.15
	Notes	£	£
Financial assets that are debt instruments measured at amortised cost			
- Cash and cash equivalents		118,115	19,384
- Trade debtors	18	444,305	503,951
- Amount owed by group undertaking	18	567,631	1,354,329
- Other debtors - excluding taxes	18	315,099	79,438
		1,445,150	1,957,102
Financial liabilities measured at amortised cost			
- Bank overdrafts	21	5,753	103,757
- Bank loan	21	-	108,965
- Trade creditors	19	140,155	27,295
- Other creditors - excluding taxes	19	35,612	74,592
- Accruals	19	101,972	179,259
		283,492	493,868

31. 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.

32. ULTIMATE CONTROLLING PARTY

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

33. 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.

34. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 31.12.16	Period 1.4.15 to 31.12.15
	£	£
Net income for the reporting period (as per the consolidated statement of financial activities)	148,973	1,252,630
Adjustments for:		
Impairments	-	15,000
Depreciation charges	525,596	280,394
Gains on investments	(173,332)	(789,544)
Dividends received	(25,183)	(21,990)
(Decrease)/increase in stocks	16,984	(24,657)
Increase in debtors	(380,144)	(19,197)
Increase/(decrease) in creditors	172,123	(29,226)
Net cash provided by operating activities	285,017	663,410

35. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.12.16	31.12.15
	£	£
Cash at bank	245,986	833,140
Bank overdrafts falling due within one year	(5,753)	(142,572)
Total cash and cash equivalents	240,233	690,568

36. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Year Ended 31.12.16	Period 1.4.15 to 31.12.15
	£	£
INCOME		
Donations		
Gift aid	-	17,139
Charitable activities		
Member subscription fees	243,637	205,884
Herd book entry fees	1,497,501	1,383,132
Re-issue, transfer fees and fines	45,331	2,814
Breeder awards	25,828	19,575
Journal advertising	54,517	30,013
Linear assessment / classification fees	798,723	638,754
Catalogue and herd brochure services	17,728	5,043
Other society services	1,133	14,210
Herd book services and sundry income	109,361	65,195
Livestock events	390,682	424,731
	3,184,441	2,789,351
Other trading activities		
Testing and recording	6,121,555	4,400,574
Registrations and classification	82,380	113,560
AI data research extracts	22,652	11,361
Sundry income	43,804	19,672
	6,270,391	4,545,167
Investment income		
Rents received	86,305	54,522
Dividends receivable	25,183	21,990
	111,488	76,512
Total income	9,566,320	7,428,169

	Year Ended 31.12.16	Period 1.4.15 to 31.12.15
	£	£
EXPENDITURE		
Other trading activities		
Director's fees	4,000	6,250
Wages and salaries	1,309,365	966,161
Social security costs	150,554	88,562
Pensions and other benefit costs	65,211	47,694
Hire of equipment and vehicles	142,314	108,185
Speir House and laboratory costs	1,236,871	956,914
Vehicle costs	80,838	47,444
Subcontractors	1,361,290	1,039,562
Telephone	19,114	13,144
Postage and stationery	57,983	32,843
Marketing, media and promotion	45,109	36,098
Staff training, recruitment and other office costs	132,565	89,538
Trade and membership fees	2,730	-
Equipment fees and licencing	29,280	16,067
General administration	36,998	17,066
Consultancy costs	24,865	22,812
Legal and professional	89,345	37,851
Auditors' remuneration	17,573	9,134
Corporation tax	26,173	4,693
Depreciation of tangible fixed assets	317,134	267,887
Exceptional recovery of executive cost	(240,000)	-
	4,909,312	3,807,905

	Year Ended 31.12.16	Period 1.4.15 to 31.12.15
	£	£
EXPENDITURE		
Charitable activities		
Salaries and wages	1,942,836	1,263,606
Social security costs	225,235	134,195
Pensions and other benefit costs	132,618	108,750
Hire of equipment and vehicles	181,842	147,115
Marketing and publicity	191,628	128,955
Conferences and other events	98,360	36,851
Livestock shows	719,420	377,946
Journal printing and circulation	96,151	118,408
Facilities management and utilities	106,253	163,520
Telephone	40,195	38,065
Postage and stationery	161,615	95,563
Computer maintenance	81,982	9,783
IT development charges	153,795	129,272
Field staff	90,179	136,801
Research and business development	10,889	19,086
Professional fees and charges	57,308	104,064
Staff training, recruitment and other office costs	101,992	54,264
Bank charges	27,737	12,509
Bank loan interest	14,750	11,063
Impairment losses for tangible fixed assets	-	15,000
Amortisation of intangible assets	85,128	-
Depreciation of tangible fixed assets	123,334	12,507
	4,643,247	3,117,323
Support costs - governance costs		
Trustees' expenses	28,120	29,855
Auditors' remuneration	10,000	10,000
	38,120	39,855
Total expenditure	9,590,679	6,965,083
Net gains/(losses) on investments		
Gains/(losses) on listed investments	173,332	(115,456)
Gains on investment property	-	905,000
	173,332	789,544
Net income	148,973	1,252,630



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