

ANNUAL REPORT & ACCOUNTS

For the Year ended
31st MARCH 2014



holstein UK

Incorporating British Friesian Breeders

Company Registered No: 3674328 (England & Wales)
Charity Registered No: 1072998

OFFICERS OF THE SOCIETY

PRESIDENT **CHAIRMAN**
Mr J Wilson Mr J R Edge

REGISTERED OFFICE
Scotsbridge House, Rickmansworth
Herts 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 1LD

FUND MANAGERS
Charles Stanley & Co Ltd
25 Luke Street, London EC2A 4AR

SOLICITORS
Burgess Salmon
One Glass Wharf
Bristol BS2 0ZX

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PRESIDENT - Jimmy Wilson (Tregibby)

It is now coming towards the end of my year as president of Holstein UK and what a wonderful year it has been. Angela and myself have travelled over the country, and been to many places we have not been before. During the winter months we attended club dinner dances, lucky we didn't have snow but we were kept busy with rain and wind. The club members gave us a wonderful welcome wherever we went.

The first shows we attended were the South West Dairy Show, Welsh Dairy Show and Agri Scot with a very high standard of cattle that could be shown anywhere in the world. I have attended the British Cattle Breeders Club conference in Telford and also the 2014 European Holstein & Red Holstein conference in Spain.

It was encouraging to see the young handlers at the All Britain Calf Show in Stoneleigh with much enthusiasm for their animals. The Littlestar award and the President's medal were presented to youngsters with a great future to look forward to.

The highlight of my year was the Royal Welsh Show, the biggest and best attended show in the country. We had the President's reception at the show and welcomed many Holstein UK members.

I cannot expand on the honour and privilege the presidency has been. I would like to thank Holstein South Wales for my nomination and their support throughout the year, Holstein UK for my election as president and the staff at Holstein UK with special thanks to Lynette Smale for her part in organising our travel. My heartfelt thanks goes to my family for their support and dedication.

Throughout the year I have been inspired by the breeders and their families for the way they live for the Holstein breed and I am sure the future of the breed is quite safe in the hands of our younger generation.

CHAIRMAN - John Edge (Wimboldsley)

The financial year ending 31st March 2014 wasn't the greatest year for the Society, but it was the year that we recognised that things needed to improve and a radical series of changes have been implemented in readiness for 2014/15. Some of the changes occurring throughout the business have included a dramatic improvement in staff internal communication and new ways of working the team we have in place right now, albeit some staff have sought pastures new is, to my mind, ideally poised to regain some of the ground that the Society may have lost over recent years.

The Board of Trustees is delighted to see an invigorated Holstein UK and its subsidiaries the Cattle Information Service (CIS) and the Centre for Dairying Information (CDI) and I, on behalf of the Board, pay tribute to all our 120 loyal and hardworking staff, who have made this possible. Collectively this group of companies provides more services and have more data than any other member owned business and it makes total sense that the farmers' needs are met in one place. Our "Industry Strategy", which includes a re-modelled CDI, will be launched later this year and will see us working much more closely with the entire dairy industry.

There are nearly 6000 members of Holstein UK, who manage black and white herds of huge divergence. It is to all these customers that our services have to be cost effective and provide technological solutions to enable them to manage their herds more effectively and ultimately more profitably. Otherwise, there is no point. We aim to provide those solutions at least cost, without having to please any shareholders. The more services our customers' use, the more benefits our customers will reap, and everyone gains. Holstein UK continues to embrace technological advances demanded by the membership and we are particularly proud that the continuous development of our "Web" based products and services has had such a good uptake, particularly amongst the younger generation and our HYB.

Incidentally, I am delighted with our new marketing campaign "Growing your Herd" with some fantastic new products, including Fast Track Pedigree, the Herd Headline key performance indicators, and the Family Reports, having been so well received, but that will have to wait for the next Chairman's Report.

I am a big believer that size isn't everything, but if you're not growing, then your competition soon will be, so it is testament to all our dedicated staff, that each year the Holstein UK group of companies completes over 220,000 cattle registrations across a number of breeds, takes care of 140,000 classification inspections, again for various breeds, and that CIS processes 4million milk samples for dairy farmers across the UK. Our milk testing laboratory at Speir House, Telford is widely recognised as a world class facility and it is generally accepted that we now have 50% of the total milk recording business. With our increasing health and pregnancy testing services, CIS is growing rapidly under the expert guidance of the Executive Director Sue Cope and fully justifies our investment of more than £2m in the business. I thank Sue and her team for the fantastic work they do.

On top of this CDI is also expanding its services to breed societies and continues to provide services to the two milk recording partners CIS and United Dairy Farmers. The key to the success of both CDI and CIS is the investment which has been made in the central database to hold pedigree and milk recording data in one place. This provides significant benefits to Holstein UK members, and CIS and CDI customers, by cutting duplication of effort and in turn cost and hassle.

This will be my last Chairman's report for Holstein UK. Reflecting on my time on the Board, I am proud to have never missed a meeting during my term of office, since I was first elected in 1996 with a four year break in the middle, not to mention the total solidarity I have received from all Trustees, past and present, but I am more proud of the developing services on offer from Holstein UK and CIS. Throughout my whole life and time with Holstein UK, I have always seen the value in investing well in staff and have always tried to engage with them all. I will be leaving the Holstein team with many fond memories, but having had to make some tough decisions along the way.

Looking ahead, I am confident that I am leaving Holstein UK in a better position than it has been in for several years. The interim appointment of Charlotte Rose to revitalise the business has been a significant step forward for the Society and her passion and dedication for the role and Society are clear to see. The transformation in the Society since her arrival has been outstanding and I'm looking forward to seeing both Holstein UK and its subsidiaries continuing to flourish.

As Chairman, may I thank our President Jimmy Wilson, and the Board of Trustees for their help and support throughout the year, and all our families, who keep the job going at home, whilst we are away, and I commend this Annual Report to the most important group of all, you the membership and our wonderful team.

STRATEGIC REPORT

OPERATIONAL PERFORMANCE

The financial year under review saw mixed performances throughout the Holstein group.

Incoming resources increased across the group by £225,131 which can predominantly be attributed to the strong and continued success of the Cattle Information Service and the fully operational laboratory this year. In turn, the market value of Speir House has increased by £55,000 showing the prudent investment undertaken by the board. A great thanks goes to Sue Cope and all her team.

We saw a slight reduction in the Society's income through partial vacant investment properties which have been fully occupied in the forthcoming year but most incoming resources have stayed reasonably steady.

However, fundamental changes throughout the Society this year have brought with it increased costs, as is always the case. Infrastructure and staffing changes and investment in new projects have contributed for the need by the board to sell shares to enable Holstein UK to ready itself for the future ahead. Whilst the board were loathe to sell shares, measures have now been put in place to significantly reduce any future necessity to decrease the Society's liquid funds. The sale has affected our dividend income but with new fund strategies and closer working with Charles Stanley, our investment managers, we hope to increase our portfolio to sufficient levels.

Looking ahead, with the strong team of employees at both Holstein UK and its subsidiaries, we are confident of a successful 2014/15 and hope to share our successes with all of our members through the exceptional services we provide.



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 year ended 31 March 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

The trustees who served during the period were:-

Elected 10.11.09

| | | |
|---------------|---|----------------|
| Mr J Cousar | - | Scotland |
| Mr A Dutton | - | North Midlands |
| Mr J Torrance | - | Eastern |

Elected 21.09.2010

| | | |
|--------------|---|---------------|
| Mr R J Laity | - | Far Western |
| Mr J R Edge | - | North Western |
| Mr A Birkle | - | East Midlands |
| Mr C Smith | - | Lancashire |

Retired 18.09.2013

| | | |
|----------------|---|---------------|
| Mr M K Miller | - | West Midlands |
| Mr E Griffiths | - | Eastern |

Elected 27.09.2011

| | | |
|-------------|---|------------------|
| Mr A Jones | - | North Wales |
| Mr M Carr | - | South Eastern |
| Mr S Brough | - | Northern |
| Mr I Watson | - | Northern Ireland |

Elected 18.09.2012

| | | |
|---------------|---|-------------|
| Mr I Morgan | - | South Wales |
| Mrs J Targett | - | Southern |

Elected 18.09.2013

| | | |
|----------------|---|---------------|
| Mr R A Bown | - | West Midlands |
| Mr K W Proctor | - | Eastern |

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing document

The charitable company (charity) is a registered charity (charity no 1072998). Strategic report, report of the trustees and financial statements are submitted to the Charity Commission following approval by the membership at the Annual General Meeting (AGM). The charity is a company limited by guarantee and not having a share capital, incorporated on 25 November 1998. The charity is governed by its Memorandum and Articles of Association (company no. 3674328), which includes wide investment powers.

Appointment of new trustees

The Articles of Association allows for the appointment of 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 of Trustees (Board) to fill specialist roles. Co-opted members are appointed on annual basis at each subsequent 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

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.

The amount of expenses reimbursed to trustees during the period was £83,796 (2013 - £75,913). The charity is governed by sixteen trustees. During the period there were 7 (2013 - 12) trustees meetings, which achieved an 86% (2013 - 89%) attendance. The individual trustees percentage attendance for the period was as follows: A Birkle 100%, S Brough 86%, R Bown 100%, M Carr 57%, J Cousar 100%, A Dutton 100%, J Edge 100%, E Griffiths 86%, J Jamieson 86%, A Jones 100%, R Laity 43%, I Morgan 71%, K Proctor 100%, C Smith 100%, J Targett 86%, I Watson 71%. The outgoing trustees attendance was: M Miller 100%, J Torrance 75%.

Organisational structure

The Board administers the charity. The Board meets on a regular basis. Within the Board, trustees are nominated to represent areas covering Breed Development, Shows & Sales, Research & Development, Membership & Marketing, Cattle Information Services, Finance & Holstein Young Breeders. An Executive Director is appointed by the Board to manage the day-to-day operations of the charity. To facilitate effective operations the Executive Director has delegated authority, within the terms of delegation approved by the Board, for operational matters including finance and employment.

Risk management

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.

TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES

Principal activities

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

Objectives and aims

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.

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 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 the normal members of the Charity.

Our key objectives for the year have included the promotion of animal registration and assessment from which the Charity undertook 208,823 (2013 - 213,646) registrations of animals. The charity has established validation process. One of these involves the authentication of parentage via DNA samples. The charity continues to explore the technological advancement in collection and testing of DNA samples (Genomics). The charity resolved to undertake parentage validation tests for all male registrations, and to continue monitoring the number of tests undertaken for females to ensure acceptable compliance levels.

Of the 208,823 animals registered with the charity, 142,627 - 68% (2013 - 145,280 & 68%) details were passed to the Cattle Movement Service as passport applications. During the last financial year, the charity undertook, 134,871 (2013 - 128,160) inspections of animals which were assessed on 10 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 been made to enhance the capabilities for widening the number and variety of tests available, and to obtain appropriate UKAS accreditation for such tests. The Charity encourages wherever possible the inclusion in regular health and welfare programs for monitoring of the herd.

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 finalised development of 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 cattle breeding within Government and other recognised bodies. Information is available to the wider community via the Charity's own website www.holstein-uk.org and via its trading subsidiaries www.thecis.co.uk and www.thecdi.co.uk. The Charity also publishes bi-monthly journals to communicate, and promote relevant topics to its members.

ACHIEVEMENT AND PERFORMANCE

Investment performance

Under the Memorandum and Articles of Association, the charity has the power to invest in anyway the trustees wish. The trustees currently operate a discretionary policy with its appointed Investment Broker. During the period, £482,349 (2013 - £410,063) was traded yielding a profit of £124,537 (2013 - £81,690). The funds raised, together with dividend income, allowed for £314,794 (2013 - £161,697) to be re-invested. The trustees acknowledge the importance of the charity's investments which support its activities and, having instigated suitable measures during the latter part of 2014 financial year, are satisfied that future requirements from its investment portfolio should be limited.

FINANCIAL REVIEW

Reserves policy

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 cash. At the year end, assets represented by Net Current Assets represented on average 3 (2013 - 2) weeks running costs. Assets which could be reasonably realised represented 43% (2013 - 44%) 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 reviewed and monitored on an annual basis.

FUTURE DEVELOPMENTS

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 the directors of Holstein UK Incorporating British Friesian Breeders for the purposes of company law) are responsible for preparing 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 which 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 those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the 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

The auditors, Cox Costello & Horne Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD: Mr J R Edge - Chairman

Dated : 5th August 2014

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLSTEIN UK

We have audited the financial statements of Holstein UK Incorporating British Friesian Breeders for the year ended 31 March 2014 on pages seven to twenty one, which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and related notes. 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).

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 DIRECTORS AND AUDITORS

As explained more fully in the Statement of Trustees Responsibilities set out on page five, 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 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 Chairman's Report, Strategic Report and the Report of the Trustees 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 charitable company's affairs as at 31 March 2014 and of the group's incoming resources and application of resources, including the group's 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Report of the Trustees 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 or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Incorporating an Income and Expenditure Account
for the year ended 31st March 2014

| | | Unrestricted funds 2013/14 £ | Total funds 2012/13 £ |
|--|---|------------------------------------|-----------------------------|
| INCOMING RESOURCES | | | |
| Incoming resources from generated funds | | | |
| Voluntary income | 2 | 16,323 | 16,625 |
| Activities for generating funds | 3 | 5,386,333 | 5,139,960 |
| Investment Income | 4 | 85,213 | 122,015 |
| Incoming resources from charitable activities | | | |
| Subscriptions and fees for services | 5 | 3,167,337 | 3,151,475 |
| Total incoming resources | | <u>8,655,206</u> | <u>225,131</u> |
| RESOURCES EXPENDED | | | |
| Cost of generating funds | | | |
| Cost of generating voluntary income | 6 | 4,587,938 | 4,767,608 |
| Charitable Activities | | | |
| Cost of membership services | 7 | 4,029,228 | 3,726,073 |
| Governance costs | | | |
| | 8 | 93,796 | 107,093 |
| Total resources expended | | <u>8,710,962</u> | <u>8,600,774</u> |
| NET OUTGOING RESOURCES | | | |
| Other recognised gains/(losses) | | | |
| Revaluation of freehold land and buildings | | 55,000 | - |
| (Losses)/gains on investment assets | | (13,316) | 233,543 |
| Net movement in funds | | <u>(14,072)</u> | <u>62,844</u> |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | | <u>6,445,456</u> | <u>6,382,612</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>6,431,384</u></u> | <u><u>6,445,456</u></u> |

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

CONSOLIDATED BALANCE SHEET

as at 31st March 2014

| | Note | Group 2014 £ | Group 2013 £ | Charity 2014 £ | Charity 2013 £ |
|--|------|--------------------|--------------------|----------------------|----------------------|
| Fixed Assets | | | | | |
| Tangible assets | 12 | 3,419,018 | 3,481,569 | 2,162,276 | 2,100,000 |
| Investments | 13 | 1,003,562 | 1,308,970 | 1,737,093 | 2,042,501 |
| Investment Funds on Deposit | 14 | 1,710,000 | 1,710,000 | 1,710,000 | 1,710,000 |
| | | <u>6,132,580</u> | <u>6,500,539</u> | <u>5,609,369</u> | <u>5,852,501</u> |
| Current Assets | | | | | |
| Stocks | 15 | 113,466 | 131,764 | - | - |
| Debtors | 16 | 1,168,067 | 1,237,994 | 1,648,097 | 1,332,292 |
| Cash in Hand | | 361,999 | 13,959 | 21,365 | 13,221 |
| | | <u>1,643,532</u> | <u>1,383,717</u> | <u>1,669,462</u> | <u>1,345,513</u> |
| Creditors | | | | | |
| Amount falling due within one year | 17 | (1,149,552) | (1,145,564) | (599,838) | (459,322) |
| | | <u>493,980</u> | <u>238,153</u> | <u>1,069,624</u> | <u>886,191</u> |
| NET CURRENT ASSETS | | | | | |
| | | <u>6,626,560</u> | <u>6,738,692</u> | <u>6,678,993</u> | <u>6,738,692</u> |
| Total Assets Less Current Liabilities | | | | | |
| Creditors | | | | | |
| Amount falling due within one year | 18 | (195,176) | (293,236) | (195,176) | (293,236) |
| | | <u>6,431,384</u> | <u>6,445,456</u> | <u>6,483,817</u> | <u>6,445,456</u> |
| NET ASSETS | | | | | |
| FUNDS | | | | | |
| Unrestricted General Fund | 22 | 3,380,220 | 3,449,292 | 3,432,292 | 3,449,292 |
| Revaluation Reserve | | 2,414,129 | 2,359,129 | 2,414,129 | 2,359,129 |
| Investment Revaluation Reserve | | 637,035 | 637,035 | 637,035 | 637,035 |
| | | <u>6,431,384</u> | <u>6,445,456</u> | <u>6,483,817</u> | <u>6,445,456</u> |

The financial statements were approved by the Board of Trustees on 5th August 2014 and were signed on its behalf by:

Chairman Mr J R Edge

Trustee Mr J Cousar

Company No : 3674328

Reg.d Charity No : 1072998

CASH FLOW STATEMENT

For the year ended 31st March 2014

| | Notes | 2014 £ | 2013 £ |
|--|----------|-----------------------------------|-----------------------|
| Net cash inflow/(outflow) from operating activities | 1 | 203,390 | (307,407) |
| Returns on investments and servicing of finance | 2 | 33,826 | 49,775 |
| Capital expenditure and financial investment | 2 | 241,009 | (208,889) |
| | | _____ | _____ |
| Financing | 2 | 478,225 (98,060) | (466,521) (81,764) |
| | | _____ | _____ |
| Increase/(decrease) in cash in the period | | 380,165 | (548,285) |
| | | ===== | ===== |

| Reconciliation of net cash flow to movement in net debt | | 3 | |
|--|--|------------------|-----------|
| Increase/(decrease) in cash in the period | | 380,165 | (548,285) |
| Cash outflow from decrease in debt and lease financing | | 98,060 | 81,764 |
| | | _____ | _____ |
| Change in net debt resulting from cash flows | | 478,225 | (466,521) |
| | | _____ | _____ |
| Movement in net debt in the period | | 478,225 | (466,521) |
| Net debt at 1 April | | (620,744) | (154,223) |
| | | _____ | _____ |
| Net debt at 31 March | | (142,519) | (620,744) |
| | | ===== | ===== |

1 RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

| | 2014 £ | 2013 £ |
|---|-----------------|-----------|
| Net outgoing resources | (55,756) | (170,699) |
| Depreciation charges | 168,634 | 117,097 |
| Interest received | - | (225) |
| Dividends received | (33,826) | (49,550) |
| Decrease/(increase) in stocks | 18,298 | (108,413) |
| Decrease/(increase) in debtors | 69,927 | (11,681) |
| Increase/(decrease) in creditors | 36,113 | (83,936) |
| | _____ | _____ |
| Net cash inflow/(outflow) from operating activities | 203,390 | (307,407) |
| | ===== | ===== |

CASH FLOW STATEMENT

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

| | 2014 £ | 2013 £ |
|---|-------------------|-------------------|
| Returns on investments and servicing of finance | | |
| Interest received | - | 225 |
| Dividends received | 33,826 | 49,550 |
| | <u> </u> | <u> </u> |
| Net cash inflow for returns on investments and servicing of finance | 33,826 | 49,775 |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (51,083) | (635,842) |
| Purchase of fixed asset investments | (314,794) | (161,697) |
| Sale of fixed asset investments | 606,886 | 491,753 |
| Unrealised gain on investments | - | 96,897 |
| | <u> </u> | <u> </u> |
| Net cash inflow/(outflow) for capital expenditure and financial investment | 241,009 | (208,889) |
| | <u> </u> | <u> </u> |
| Financing | | |
| Loan repayments in year | (98,060) | (81,764) |
| | <u> </u> | <u> </u> |
| Net cash outflow from financing | (98,060) | (81,764) |
| | <u> </u> | <u> </u> |

3 ANALYSIS OF CHANGES IN NET DEBT

| | 2014 £ | Cash Flow £ | 2013 £ |
|-----------------------------------|-------------------|-------------------|-------------------|
| Net cash: | | | |
| Cash at bank and in hand | 13,959 | 348,040 | 361,999 |
| Bank overdrafts | (241,467) | 32,125 | (209,342) |
| | <u> </u> | <u> </u> | <u> </u> |
| | (227,508) | 380,165 | 152,657 |
| | <u> </u> | <u> </u> | <u> </u> |
| Debt: | | | |
| Debts falling due within one year | (100,000) | - | (100,000) |
| Debts falling due after one year | (293,236) | 98,060 | (195,176) |
| | <u> </u> | <u> </u> | <u> </u> |
| | (393,236) | 98,060 | (295,176) |
| | <u> </u> | <u> </u> | <u> </u> |
| Total | (620,744) | 478,225 | (142,519) |
| | <u> </u> | <u> </u> | <u> </u> |

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, with the applicable requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), issued in March 2005, the Charities Act 2011, and under the historical cost accounting rules, except for investments which have been included at market valuation or the value considered appropriate by the Board of Trustees.

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 for at least 12 months.

As permitted by Section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005, a separate income and expenditure account dealing with the results of the charitable company only has not been presented.

Basis of consolidation

The charitable company has two wholly owned subsidiaries, The Cattle Information Service Limited and The Centre for Dairy Information Limited, which are registered in England. Consolidated financial statements for the group, being Holstein UK, The Cattle Information Service Limited and The Centre for Dairy Information Limited have been prepared on a line by line basis.

Related party transactions

The charity has taken advantage of the exemption set out in FRS8 not to disclose any transactions between the charity and the subsidiaries.

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included in the consolidated SOFA when the charity is legally entitled to them, receipt is virtually certain and the amount can be measured with sufficient reliability.

Voluntary income

Donations are recognised in the period in which they are received.

Subscriptions

Subscriptions received are included in the SOFA on the day in the year which they fall due.

Entry fees

Entry fees received are included in the SOFA only after the relevant animal has been accepted for registration.

Deferred income

Deferred income represents amounts received for future periods and is released to income resources in the period for which it has been received.

Resources expended

Resources expended are recognised in the period in which they are incurred on an accruals basis. Resources expended include attributable VAT which cannot be recovered.

Costs of charitable activities includes direct expenditure incurred through operational activities together with associated support costs. Charitable expenditure is reported as a functional analysis of the work undertaken by the charity.

The costs of generating funds relate to the costs incurred by the group and charitable company in raising funds for the charitable work.

Governance costs are those associated with the governance arrangements relating to the strategic operations of the charity as opposed to those costs associated with general running of the charity, fundraising or charitable activity. These governance costs include external audit costs, trustee costs and directors' time in governance of the organisation.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, support costs, comprising the salary and overhead costs of the central function, are apportioned on the basis of staff numbers in each area of activity. These staff numbers are listed in the notes to the financial statements.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES - Continued

Tangible fixed assets

Tangible and intangible fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation periods in use on a straight line basis are as follows:

| | |
|----------------------------------|--------------------------------|
| Freehold land and buildings | - nil |
| Computer and equipment | |
| • Furniture and fittings | -10 years |
| • Motor vehicles | - 4 years |
| • Office machinery and equipment | - varying rates - 2 to 8 years |
| • Computer equipment | - 2 years |

Freehold land and buildings (which includes the historical cost of the land, plus any freehold improvements) are maintained to such a standard that the trustees consider that their estimated residual value is not less than their cost and as such no depreciation has been charged.

Freehold land and buildings are held for long-term benefit of the charity and are stated at market value, which is supported by market evidence, as assessed by qualified external valuers. Changes in market values are recorded in the SOFA and held in the unrealised revaluation reserve account.

Items of computer and equipment are capitalised where the purchase price exceeds £250. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Investment property is held for long-term rental yields and is not occupied by the Group. Investment property is stated at market value, which is supported by market evidence, as assessed by qualified external valuers. Changes in market values are recorded in the SOFA and held in the unrealised revaluation reserve account.

Stocks

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

Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries pay available profits to the charity as a charitable donation. Their charge to corporation tax in the year was £nil (2013 - £nil).

Fund accounting

Unrestricted funds are the funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted funds are used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of management and support costs where appropriate. Negative balances are only carried forward where further income is virtually certain in the following year.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

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.

Leasing commitments

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the SOFA in the year on a straight line basis.

Pension costs

The charity operates a money purchase scheme providing benefits on a defined contribution basis. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost represents contributions payable under the scheme by the charity to the fund.

At the balance sheet, contributions outstanding amounted to £nil (2013 - £47,696).

NOTES TO THE ACCOUNTS

2 VOLUNTARY INCOME

| | 2014 | 2013 |
|----------|---------------|--------|
| | £ | £ |
| Gift Aid | 16,323 | 16,625 |

3 ACTIVITIES FOR GENERATING FUNDS

| | 2014 | 2013 |
|----------------------------------|------------------|-----------|
| | £ | £ |
| Testing and recording | 5,201,606 | 4,975,703 |
| Registrations and classification | 136,002 | 129,420 |
| Sundry income | 48,725 | 34,837 |
| | 5,386,333 | 5,139,960 |

4 INVESTMENT INCOME

| | 2014 | 2013 |
|-------------------------------|---------------|---------|
| | £ | £ |
| Rents received | 51,387 | 72,240 |
| Deposit account interest | - | 225 |
| Fixed asset investment income | 33,826 | 49,550 |
| | 85,213 | 122,015 |

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| Activity | 2014 | 2013 |
|--|------------------|-----------|
| | £ | £ |
| Subscriptions and fees for services | | |
| Subscriptions | 254,886 | 259,272 |
| Herd book entry fees | 1,757,243 | 1,796,672 |
| Re-issue, transfer fees and fines | 79,921 | 81,194 |
| Superior producer awards | 22,017 | 21,939 |
| Journal advertising | 74,113 | 90,733 |
| Linear assessment/ classification fees | 841,510 | 801,973 |
| Catalogue and herd brochure services | 7,183 | 5,447 |
| Other society services | 16,686 | 17,755 |
| Herd book services and sundry income | 113,778 | 76,490 |
| | 3,167,337 | 3,151,475 |

NOTES TO THE ACCOUNTS

6 COSTS OF GENERATING VOLUNTARY INCOME

| | 2014 | 2013 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Staff costs | 1,441,662 | 1,268,439 |
| Motor vehicle lease charges | 152,892 | 134,111 |
| Marketing and publicity | 46,264 | 57,828 |
| Telephones, postage and stationery | 85,984 | 131,959 |
| Speir House and laboratory costs | 953,931 | 1,189,030 |
| Vehicle costs | 82,568 | 55,294 |
| Subcontractors | 1,349,587 | 1,385,513 |
| Trade and membership fees | 60,310 | 83,852 |
| Staff expenses | 171,829 | 167,676 |
| Professional fees and charges | 68,358 | 77,398 |
| Depreciation | 168,635 | 117,096 |
| Other costs and charges | 5,918 | 99,412 |
| | <u>4,587,938</u> | <u>4,767,608</u> |

7 CHARITABLE ACTIVITIES COSTS

| | Direct costs | Totals |
|-------------------------------------|------------------|------------------|
| | £ | £ |
| Cost of membership services | 4,029,228 | 4,029,228 |
| | 2014 | 2013 |
| | £ | £ |
| Salaries and wages | 2,051,064 | 1,866,248 |
| Social security | 226,306 | 213,895 |
| Pensions and benefit costs | 248,910 | 224,915 |
| Motor vehicle lease charges | 150,682 | 142,245 |
| Hire of office equipment | 17,245 | 52,298 |
| Marketing and publicity | 151,991 | 136,379 |
| Conferences and other events | 59,251 | 77,040 |
| Shows | 142,624 | 120,898 |
| Journal printing and circulation | 85,926 | 85,004 |
| Facilities management and utilities | 140,682 | 148,064 |
| Telephones, postage and stationery | 161,647 | 167,144 |
| Computer maintenance | 46,400 | 15,038 |
| IT development charges | 47,998 | 47,417 |
| Staff expenses | 56,678 | 35,737 |
| Field staff | 193,339 | 263,847 |
| Research and business development | 26,547 | 33,260 |
| Professional fees and charges | 183,330 | 66,545 |
| Other costs and charges | 38,608 | 30,338 |
| Gain on foreign exchange | - | (239) |
| | <u>4,029,228</u> | <u>3,726,073</u> |

8 GOVERNANCE COSTS

| | 2014 | 2013 |
|-------------------------------------|---------------|----------------|
| | £ | £ |
| Trustees' remuneration and expenses | 83,796 | 75,913 |
| Auditors' remuneration | 10,000 | 10,800 |
| Support costs | - | 20,380 |
| | <u>93,796</u> | <u>107,093</u> |

NOTES TO THE ACCOUNTS

9 NET OUTGOING RESOURCES

Net resources are stated after charging:

| | 2014 | 2013 |
|---|---------------|---------------|
| | £ | £ |
| Auditors' remuneration – audit fees | 10,000 | 10,800 |
| Auditors' remuneration – other services | 8,230 | 12,000 |
| Depreciation - owned assets | 168,635 | 117,096 |
| Motor vehicle lease charges | 303,574 | 276,356 |
| Hire of office equipment | <u>17,245</u> | <u>52,298</u> |

10 TRUSTEES' REMUNERATION AND BENEFITS

The following were paid to trustees during the year ended 31 March 2014. There was no other remuneration or benefits for the years ended 31 March 2014 and 31 March 2013.

| Trustees' remuneration and expenses | 2014 | 2013 |
|-------------------------------------|---------------|---------------|
| | £ | £ |
| Chairman's honorarium | 7,500 | 5,625 |
| Trustees' expenses | <u>76,296</u> | <u>70,288</u> |

11 STAFF COSTS

Staff costs for the charity and group were as follows:

| | 2014 | 2013 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 3,304,455 | 2,958,994 |
| Social security costs | 347,047 | 322,501 |
| Other pension costs & benefits | 316,440 | 292,002 |
| | <u>3,967,942</u> | <u>3,573,497</u> |

The average monthly number of employees during the year was as follows:

| | 2014 | 2013 |
|-----------------------|------|------|
| Full time equivalents | 122 | 112 |

Included in the average number of employees are 5 (2013 - 5) employees who were not employed full time throughout the year.

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

| | 2014 | 2013 |
|-------------------|----------|----------|
| £60,001 - £70,000 | 3 | 2 |
| £70,001 - £80,000 | - | 1 |
| £80,001 - £90,000 | 1 | - |
| | <u>4</u> | <u>3</u> |

NOTES TO THE ACCOUNTS

12 TANGIBLE FIXED ASSETS The Group

| | Freehold land and buildings £ | Computer and equipment £ | Totals £ |
|--------------------------|-------------------------------------|--------------------------------|-----------------------------|
| COST OR VALUATION | | | |
| At 1 April 2013 | 2,100,000 | 2,914,165 | 5,014,165 |
| Additions | - | 51,083 | 51,083 |
| Revaluations | 55,000 | - | 55,000 |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31 March 2014 | 2,155,000 | 2,965,248 | 5,120,248 |
| | <u> </u> | <u> </u> | <u> </u> |
| DEPRECIATION | | | |
| At 1 April 2013 | - | 1,532,596 | 1,532,596 |
| Charge for year | - | 168,634 | 168,634 |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31 March 2014 | - | 1,701,230 | 1,701,230 |
| | <u> </u> | <u> </u> | <u> </u> |
| NET BOOK VALUE | | | |
| At 31 March 2014 | 2,155,000 | 1,264,018 | 3,419,018 |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31 March 2013 | 2,100,000 | 1,381,569 | 3,481,569 |
| | <u> </u> | <u> </u> | <u> </u> |

The Charity

| | Freehold land and buildings £ | Computer and equipment £ | Totals £ |
|--------------------------|-------------------------------------|--------------------------------|-----------------------------|
| COST OR VALUATION | | | |
| At 1 April 2013 | 2,100,000 | 1,222,835 | 3,322,835 |
| Additions | - | 9,663 | 9,663 |
| Revaluations | 55,000 | - | 55,000 |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31 March 2014 | 2,155,000 | 2,965,247 | 3,387,498 |
| | <u> </u> | <u> </u> | <u> </u> |
| DEPRECIATION | | | |
| At 1 April 2013 | - | 1,222,835 | 1,222,835 |
| Charge for year | - | 2,387 | 2,387 |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31 March 2014 | - | 1,225,222 | 1,225,222 |
| | <u> </u> | <u> </u> | <u> </u> |
| NET BOOK VALUE | | | |
| At 31 March 2014 | 2,155,000 | 7,276 | 2,162,276 |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31 March 2013 | 2,100,000 | - | 2,100,000 |
| | <u> </u> | <u> </u> | <u> </u> |

The Group and Charity

The freehold land and buildings were revalued at £2,100,000 by Brasier Freeth, Chartered Surveyors, on the 10 November 2011. The historical cost of freehold land and buildings were £1,875,000 (2013 - £1,875,000). In addition, Speir House (an investment property) was revalued on 25 April 2014 at £670,000. The historical cost of the investment property was £615,000 (2013 - £615,000).

13 FIXED ASSET INVESTMENTS

The Group

| | Listed investments £ |
|-----------------------|----------------------------|
| MARKET VALUE | |
| At 1 April 2013 | 1,308,970 |
| Movement | (305,408) |
| At 31 March 2014 | <u>1,003,562</u> |
| NET BOOK VALUE | |
| At 31 March 2014 | <u>1,003,562</u> |
| At 31 March 2013 | <u>1,308,970</u> |

The Charity

| | Shares in group undertakings £ | Listed investments £ | Totals £ |
|-----------------------|--------------------------------------|----------------------------|------------------|
| MARKET VALUE | | | |
| At 1 April 2013 | 733,530 | 1,308,971 | 2,042,501 |
| Additions | | 314,794 | 314,794 |
| Disposals | | (606,886) | (606,886) |
| Net gains/(losses) | - | (13,317) | (13,317) |
| At 31 March 2014 | <u>733,530</u> | <u>1,003,562</u> | <u>1,737,092</u> |
| NET BOOK VALUE | | | |
| At 31 March 2014 | <u>733,530</u> | <u>1,003,563</u> | <u>1,737,093</u> |
| At 31 March 2013 | <u>733,530</u> | <u>1,308,971</u> | <u>2,042,501</u> |

The Group and Charity

Included within listed investments are overseas investments amounting to £433,542 (2013 - £389,531).

The historical cost of investments was £801,272 (2013 - £972,686). The Trustees consider the value of the investments to be supported by their underlying assets.

The charity's investments at the balance sheet date in the share capital of 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 |

| | 2014 £ | 2013 £ |
|--------------------------------|----------------|----------------|
| Aggregate capital and reserves | <u>733,530</u> | <u>733,530</u> |
| Profit for the year | <u>-</u> | <u>-</u> |

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 March 2014. The investment had previously been written off.

NOTES TO THE ACCOUNTS

13 FIXED ASSET INVESTMENTS - Continued

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

| | 2014 £ | 2013 £ |
|--------------------------------|-----------|-----------|
| Aggregate capital and reserves | (52,432) | - |
| Loss for the year | (52,432) | - |

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 March 2014.

14 INVESTMENT PROPERTY

The Group and Charity

| | £ |
|-----------------------------------|-----------|
| MARKET VALUE | |
| At 1 April 2013 and 31 March 2014 | 1,710,000 |
| NET BOOK VALUE | |
| At 31 March 2014 | 1,710,000 |
| At 31 March 2013 | 1,710,000 |

The investment properties were revalued at £1,095,000 by Brasier Freeth, Chartered Surveyors, on the 10 November 2011. The trustees do not consider any change is required since the last valuation. Please see note 12 for additional information.

15 STOCKS

| | Group 2014 £ | 2013 £ | Charity 2014 £ | 2013 £ |
|--------|--------------------|-----------|----------------------|-----------|
| Stocks | 113,466 | 131,764 | - | - |

16 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2014 £ | 2013 £ | Charity 2014 £ | 2013 £ |
|------------------------------------|--------------------|-----------|----------------------|-----------|
| Trade debtors | 1,043,535 | 970,067 | 551,285 | 536,320 |
| Amounts owed by group undertakings | - | - | 1,011,379 | 681,242 |
| Other debtors | 22,222 | 119,143 | 17,323 | 15,799 |
| Prepayments and accrued income | 102,310 | 148,784 | 68,110 | 98,931 |
| | 1,168,067 | 1,237,994 | 1,648,097 | 1,332,292 |

NOTES TO THE ACCOUNTS

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2014 | 2013 | Charity 2014 | 2013 |
|--|------------------|------------------|-----------------|----------------|
| | £ | £ | £ | £ |
| Bank loan and overdrafts (see note 19) | 309,342 | 341,467 | 261,421 | 219,255 |
| Trade creditors | 74,231 | - | 33,847 | - |
| Social security and other taxes | 87,279 | 123,773 | 69,701 | 80,459 |
| VAT | 162,547 | 191,107 | 13,480 | 32,199 |
| Other creditors | 176,891 | 201,708 | 31,311 | 38,680 |
| Accruals and deferred income | 339,262 | 287,509 | 190,078 | 88,729 |
| | <u>1,149,552</u> | <u>1,145,564</u> | <u>599,838</u> | <u>459,322</u> |

18 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

The Group and Charity

| | 2014 | 2013 |
|-------------------------|----------------|----------------|
| | £ | £ |
| Bank loan (see note 19) | <u>195,176</u> | <u>293,236</u> |

19 LOAN

The Group

An analysis of the maturity of loan is given below:

| | 2014 | 2013 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year on demand: | | |
| Bank overdrafts | 209,342 | 241,467 |
| Bank loan | 100,000 | 100,000 |
| | <u>309,342</u> | <u>341,467</u> |
| Amounts falling between one and two years: | | |
| Bank loan - 1-2 years | <u>100,000</u> | <u>100,000</u> |
| Amounts falling due between two and five years: | | |
| Bank loan - 2-5 years | <u>95,176</u> | <u>193,236</u> |

The Charity

An analysis of the maturity of loan is given below:

| | 2014 | 2013 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year on demand: | | |
| Bank overdraft | 161,421 | 119,255 |
| Bank loan | 100,000 | 100,000 |
| | <u>261,421</u> | <u>219,255</u> |
| Amounts falling between one and two years: | | |
| Bank loan - 1-2 years | <u>100,000</u> | <u>100,000</u> |
| Amounts falling due between two and five years: | | |
| Bank loan - 2-5 years | <u>95,176</u> | <u>193,236</u> |

NOTES TO THE ACCOUNTS

20 OPERATING LEASE COMMITMENTS

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

Other operating leases & rent

| | Group 2014 | 2013 | Charity 2014 | 2013 |
|----------------------------|-----------------------|----------------|-------------------------|----------------|
| | £ | £ | £ | £ |
| Expiring: | | | | |
| Within one year | 40,535 | 37,709 | 2,978 | 16,691 |
| Between one and five years | 220,049 | 197,535 | 130,247 | 88,269 |
| | <u>260,584</u> | <u>235,244</u> | <u>133,225</u> | <u>104,960</u> |

21 SECURED DEBTS

The Group and Charity

The following secured debts are included within creditors:

| | 2014 | 2013 |
|-----------|----------------|---------|
| | £ | £ |
| Bank loan | 295,176 | 393,236 |

Bank loan is secured by fixed charge against the freehold land and buildings of the charity.

22 MOVEMENT IN FUNDS

The Group and Charity

| | At 1.4.13 | Net movement in funds | At 31.3.14 |
|---|------------------|--------------------------|------------------|
| | £ | £ | £ |
| Unrestricted funds | | | |
| General fund | 2,715,762 | (16,640) | 2,699,122 |
| Funds retained within a non-charitable subsidiary | 733,530 | (52,432) | 681,098 |
| Revaluation reserve tangible assets | 2,359,129 | 55,000 | 2,414,129 |
| Revaluation reserve investments | 637,035 | - | 637,035 |
| | <u>6,445,456</u> | <u>(14,072)</u> | <u>6,431,384</u> |
| TOTAL FUNDS | 6,445,456 | (14,072) | 6,431,384 |

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

| | Incoming resources | Resources expended | Gains and (losses) | Movement in funds |
|--|-------------------------------|-------------------------------|-------------------------------|------------------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General fund | 3,268,873 | (3,272,197) | (13,316) | (16,640) |
| Funds retained within a non-charitable subsidiary | 5,386,333 | (5,438,765) | - | (52,432) |
| Revaluation reserve tangible assets | - | - | 55,000 | 55,000 |
| | <u>8,655,206</u> | <u>(8,710,962)</u> | <u>41,684</u> | <u>(14,072)</u> |
| TOTAL FUNDS | 8,655,206 | (9,991,701) | 41,684 | (14,072) |

23 PENSION COSTS

The charitable company (charity) and The Cattle Information Service Limited (subsidiary), both operate a money purchase scheme providing benefits on a defined contribution basis.

For those current members who had service prior to the 31 December 1991 and 9 July 2002 respectively, the scheme aims to provide similar benefits at normal retirement age to those previously provided under the Holstein-Friesian Society and Scottish Milk Limited Retirement Plan respectively, 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 schemes will be similar to those which would have been provided had they continued service within the Holstein-Friesian Society and Scottish Milk Limited Retirement Plan respectively.

These contribution rates are subject to regular review by the charity, subsidiary and Phoenix Life & Pensions although the charity and subsidiary are under no obligation to amend these contribution rates.

For the 2014 scheme year employee contribution rates for all employees and employer contribution rates for new and previous members who joined the scheme were 5% of pensionable earnings.

24 CONTINGENT LIABILITIES

During the year the employment of the executive director ceased. As a result of this event, the charity has become involved in a dispute with the former officer. The trustees have taken action to protect the assets of the charity and the group and are confident that no additional liabilities will arise.

25 ULTIMATE PARENT COMPANY

There is no ultimate parent company.

26 ULTIMATE CONTROLLING PARTY

The trustees consider there is no ultimate controlling party.

27 COMPANY LIMITED BY GUARANTEE

The liability of members of the charity is limited by guarantee to £1 each.



STATISTICS

For the period 1st April 2013 to 31st March 2014

| REGION | MEMBERS | | REGISTRATIONS | | | | | | CLASSIFICATIONS | |
|------------------|--------------|--------------|---------------|--------------|----------------|----------------|---------------|---------------|-----------------|----------------|
| | 2013/14 | 2012/13 | 2013/14 | 2012/13 | 2013/14 | 2012/13 | 2013/14 | 2012/13 | 2013/14 | 2012/13 |
| | | | Male | | Female | | Graded | | | |
| East Midlands | 256 | 268 | 87 | 113 | 6,742 | 7,198 | 638 | 523 | 5,530 | 3,620 |
| Eastern | 154 | 160 | 33 | 48 | 2,591 | 2,710 | 85 | 135 | 2,422 | 2,423 |
| Far Western | 617 | 618 | 574 | 415 | 21,662 | 21,879 | 1,801 | 2,177 | 11,802 | 12,317 |
| Lancashire | 338 | 354 | 145 | 205 | 9,275 | 10,015 | 534 | 1,061 | 6,779 | 6,301 |
| North Midlands | 445 | 448 | 113 | 163 | 11,817 | 11,741 | 785 | 530 | 7,955 | 8,186 |
| North Western | 609 | 634 | 311 | 408 | 18,495 | 18,534 | 1,090 | 1,274 | 12,935 | 11,508 |
| Northern | 488 | 497 | 326 | 369 | 15,191 | 15,649 | 860 | 975 | 10,174 | 10,172 |
| South Eastern | 110 | 112 | 43 | 47 | 3,259 | 2,730 | 762 | 398 | 2,632 | 1,982 |
| Southern | 503 | 529 | 211 | 266 | 18,505 | 17,202 | 1,815 | 1,597 | 11,176 | 10,016 |
| West Midland | 351 | 368 | 181 | 184 | 10,442 | 10,399 | 845 | 911 | 7,083 | 5,457 |
| Yorkshire | 353 | 363 | 92 | 139 | 9,429 | 9,528 | 513 | 493 | 5,922 | 5,936 |
| Northern Ireland | 910 | 935 | 1,040 | 1,170 | 19,621 | 21,955 | 1,359 | 1,753 | 16,422 | 16,538 |
| Scotland | 518 | 537 | 390 | 423 | 18,983 | 19,261 | 1,388 | 1,232 | 11,995 | 13,153 |
| North Wales | 240 | 248 | 51 | 72 | 6,379 | 6,429 | 549 | 461 | 6,109 | 4,852 |
| South Wales | 623 | 643 | 134 | 182 | 18,327 | 19,094 | 1,332 | 1,574 | 15,870 | 15,663 |
| Overseas | 12 | 11 | 0 | 2 | 18 | 22 | 0 | 0 | 65 | 36 |
| Total | 6,527 | 6,725 | 3,731 | 4,206 | 190,736 | 194,346 | 14,356 | 15,094 | 134,871 | 128,160 |

CLUB CONTACTS

| CLUB | SECRETARY | TELEPHONE | EMAIL |
|---------------------------|---------------------|--------------|---|
| Border & Lakeland | Joanne Fisher | 07787 028666 | secretary@holsteinbreeders.co.uk |
| British Friesian Breeders | David Armett | 01530 223446 | david@temraa.plus.com |
| Central Counties | Jo Bagnall | 07841 392406 | joanne.bagnall@virgin.net |
| Cornwall | Jacky Parsons | 01840 261439 | jacky@cornishholsteins.org |
| Derbyshire | Chris Morris | 07971 118820 | cgmorris2011@gmail.com |
| Devon | Mark Davies | 07773 371774 | mark.davis@kivellshusseys.com |
| East Midlands | Rebecca Kirk | 07761 131076 | east-midlands-holstein-club@outlook.com |
| Holstein North Wales | Dyfrig W Hughes | 07802 173235 | dyfrighughes@btinternet.com |
| Holstein Northern Ireland | John Martin | 07711 041128 | johnjmartin@btinternet.com |
| Holstein Scotland North | Gregor Colquhoun | 07831 771706 | gregor.colquhoun@harbro.co.uk |
| Holstein Scotland South | Pat Wilson | 07703 535151 | wilson565@btinternet.com |
| Holstein South Wales | Eireen Perkins | 01348 874121 | eireen-perkins@hotmail.co.uk |
| Holstein South West | Andrew Clements | 01278 410250 | andrew.clements@gth.net |
| Isle of Man | Vicky Sloane-Masson | 07624 497107 | vicky.sloane@manx.net |
| Lancashire | Sheila Robinson MBE | 01995 679204 | mail@sheilarobinson.wanadoo.co.uk |
| Midland | Karen Sharlot | 07708 103924 | wethertholsteins@yahoo.co.uk |
| Norfolk | Jennie Hipperson | 01603 464281 | jhipperson@hotmail.com |
| North Eastern | Jenny Bowes | 07825 222013 | jennycrosier@yahoo.co.uk |
| Northumbria | Marian Watson | 01434 682847 | jawburnthouse@btinternet.com |
| Shropshire | Frank Dixon | 07971 118516 | fdixon@genusbreeding.co.uk |
| South & Wiltshire | Elizabeth Walker | 01256 893088 | elizabeth62@btconnect.com |
| South Eastern | Clare Carr | 07710 571327 | clarecarr13@hotmail.com |
| Staffordshire | Chris Howe | 07971 118732 | choweharrier@live.co.uk |
| Suffolk | Lindsay Burroughs | 07713 248666 | linzibur@hotmail.com |
| West Midland | Jane McGill | 07970 009144 | JaneMc@NMR.co.uk |
| Western | Rachel Dimelow | | westernholsteinclub@hotmail.co.uk |
| Yorkshire | Sandra Atkinson | 07734 815476 | sandraatkinson@thecis.co.uk |

Leave a LEGACY to the Breed



We want to strengthen Holstein UK's foundations by building up an endowment fund to support our youth-based activities

You have an opportunity to help us achieve this aim and make your mark on the Society by leaving a legacy in your Will to Holstein UK

For more information and a copy of a leaflet explaining more, contact Simon Gee on 01923 695225 or simongee@holstein-uk.org



