

Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:	Dairy UK Limited		
Year ended:	31 December 2020		
List No:			
Head or Main Office:	6th Floor		
	210 High Holburn		
	London		
Postcode	WC1V 7EP		
Website address (if available)			
Has the address changed during the year to which the return relates?	Yes	<input type="checkbox"/>	No <input checked="" type="checkbox"/> ('X' in appropriate box)
General Secretary:	C Buck		
Contact name for queries regarding the completion of this return:	C Buck		
Telephone Number:	0207 025 0548		
E-mail:	cbuck@dairyUK.org		

Please follow the guidance notes in the completion of this return

Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 0330 1093602

You should sent the annual return to the following address stating the name of the union in subject:

For Employers' Associations based in England and Wales: returns@certoffice.org

For Employers' Associations based in Scotland: ymw@tcyoung.co.uk

Contents

Employers' Association's details.....	1
Return of members.....	2
Change of officers.....	2
Officers in post.....	2a
Revenue Account/General Fund.....	3
Accounts other than the revenue account/general fund.....	4-6
Balance sheet.....	7
Fixed Assets Account.....	8
Analysis of investments.....	9
Analysis of investments income (Controlling interests).....	10
Summary sheet.....	11
Summary Sheet (Only for Incorporated Bodies).....	11a
Notes to the accounts.....	12
Accounting policies.....	13
Signatures to the annual return.....	13
Checklist.....	13
Checklist for auditor's report.....	14
Auditor's report (continued).....	15
Guidance on completion.....	16

Return of Members

(see note 9)

Number of members at the end of the year				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (Including Channel Islands)	Totals
157	4		2	163

Change of Officers

Please complete the following to record any changes of officers during the twelve months covered by this return.

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change
Director		M D J Chatters	01 June 2020
Director	H B Meaudre		01 June 2020
Director	P M Muller		01 July 2020
Company secretary	K J Hunter		01 December 2020
Company secretary		C M Buck	01 December 2020

Officers in post

(see note 10)

Please complete list of all officers in post at the end of the year to which this form relates.

Name of Officer	Position held
Afshin Amirahmadi	Director
Thomas Alexander Atherton	Director
Robert Keith Craig	Director
Lyndon Roger Charles Edwards	Director
Robert Bishop Graham	Director
Shalagh Mccone Hancock	Director
Michael Gerard Hanley	Director
Neil Angus Kennedy	Director
Paul Vernon	Director
Nick Whelan	Director
Michael David John Chatters	Director
Colin Buck	Company Secretary

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
1,457,999	From Members	Subscriptions, levies, etc	1,330,106	1,330,106
	Investment income	Interest and dividends (gross)		
1,317		Bank interest (gross)	894	894
		Other (specify)		
17,131		Interest and dividends (gross)	16,938	16,938
-2,073		Profit on disposal of listed investment		
761,306		Profit/(loss) on revaluation of investments	-15,838	-15,838
		Total Investment Income	1,994	1,994
	Other Income	Rents received	340,750	340,750
		Insurance commission		
		Consultancy fees		
		Publications/Seminars		
		Miscellaneous receipts (specify)		
1,427,043		Miscellaneous receipts (see A)	935,062	935,062
1,600		Profit on sale of fixed assets	105	105
		Total of other income		1,275,917
1,769,393		Total income		2,608,017
4,005,073		Interfund Transfers IN		
	Expenditure			
1,134,099	Administrative expenses	Remuneration and expenses of staff	1,130,897	1,130,897
206,730		Occupancy costs	212,286	212,286
66,368		Printing, Stationery, Post	33,082	33,082
		Telephones		
148,877		Legal and Professional fees	161,648	161,648
		Miscellaneous (specify)		
1,306,474		Other administrative expenses (See B)	651,209	651,209
		Total of Admin expenses		2,189,122
2,862,548				
1,695	Other Charges	Bank charges	2,098	2,098
35,187		Depreciation	38,104	38,104
		Sums written off		
		Affiliation fees		
		Donations		
		Conference and meeting fees		
		Expenses		
		Miscellaneous (specify)		
151,139		Subscriptions, affiliation fees, donations, conference and meeting fees	140,095	140,095
25,000		Actuarial loss net of deferred tax	25,000	25,000
		Loss on revaluation of investments		
		Total of other charges		205,297
213,021				
268,229		Taxation	28,844	28,844
		Total expenditure		2,423,263
3,343,798		Interfund Transfers OUT		
661,275		Surplus/Deficit for year		184,754
6,998,871		Amount of fund at beginning of year		7,660,146
7,660,146		Amount of fund at end of year		7,844,900

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 2		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other Income (specify)		
		Total Income	
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Account 3		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 4		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Account 5		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 6		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Account 7		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Balance Sheet as at [31 December 2020]

(see notes 19 and 20)

Previous Year		£	£
8,081,844	Fixed Assets (as at Page 8)	8,062,196	8,062,196
	Investments (as per analysis on page 9)		
	Quoted (Market value £) as at Page 9		
426,703	Unquoted (Market value £) as at Page 9		422,005
426,703	Total Investments	422,005	422,005
	Other Assets		
447,510	Sundry debtors	368,083	368,083
651,846	Cash at bank and in hand	880,178	880,178
	Stocks of goods		
	Others (specify)		
1,099,356	Total of other assets	1,248,261	1,248,261
	Total Assets		9,732,462
7,660,146	Revenue Account/ General Fund	7,844,900	
	Revaluation Reserve		
	Liabilities		
146,100	Sundry Creditors	62,767	
108,225	Tax Payable	115,012	
615,543	Accrued Expenses	631,894	
1,077,889	Provisions	1,077,889	
1,947,757	Total Liabilities		1,887,562
9,607,903	Total Assets		9,732,462

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	8,080,364	122,588	71,595	8,274,547
Additions during period		19,293		19,293
Less: Disposals		-11,623		-11,623
Less: Depreciation	-56,253	-106,021	-57,747	-220,021
Total to end of period	8,024,111	24,237	13,848	8,062,196
Book Amount at end of period	8,024,111	24,237	13,848	8,062,196
Freehold	8,000,000			8,000,000
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)	24,111			24,111
Total of Fixed Assets	8,024,111	24,237	13,848	8,062,196

Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	Total Quoted (as Balance Sheet)	
	Market Value of Quoted Investments	
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
	Unit trust investments	421,999
	Investment in subsidiary	6
	Total Unquoted (as Balance Sheet)	422,005
	Market Value of Unquoted Investments	

* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

Analysis of investment income (Controlling interests)

(see note 23)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?

Yes	X	No	
-----	----------	----	--

If Yes name the relevant companies:

Company name	Company registration number (if not registered in England & Wales, state where registered)
Dairy Energy Savings Limited	4062424
Dairy Marketing Forum Limited	6429418
The Dairy Council	203597
The National Dairymen's Association Limited	328538
DIAL (2004) Limited	5172436
The British Cheese Board Limited	3054212
The Milk Race Limited	8438453

Incorporated Employers' Associations

Are the shares which are controlled by the association registered in the association's name

Yes	X	No	
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If NO, please state the names of the persons in whom the shares controlled by the association are registered.

Company name	Names of shareholders

Unincorporated Employers' Associations

Are the shares which are controlled by the association registered in the names of the association's trustees?

Yes	X	No	
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If NO, state the names of the persons in whom the shares controlled by the association are registered.

Company name	Names of shareholders

Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
		£
Income		
From Members	1,330,106	1,330,106
From Investments	1,994	1,994
Other Income (including increases by revaluation of assets)	1,275,917	1,275,917
Total Income	2,608,017	2,608,017
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	2,423,263	2,423,263
Funds at beginning of year (including reserves)	7,660,146	7,660,146
Funds at end of year (including reserves)	7,844,900	7,844,900
ASSETS		
Fixed Assets		8,062,196
Investment Assets		422,005
Other Assets		1,248,261
Total Assets		9,732,462
Liabilities		
Total Liabilities		1,887,562
Net Assets (Total Assets less Total Liabilities)		7,844,900

Summary Sheet

(see notes 24 to 33)

		All Funds	Total Funds
		£	£
Income			
	From Members		
	From Investments		
	Other Income (including increases by revaluation of assets)		
	Total Income		
Expenditure (including decreases by revaluation of assets)			
	Total Expenditure		
Funds at beginning of year (including reserves)			
Funds at end of year (including reserves)			
ASSETS			
	Fixed Assets		
	Investment Assets		
	Other Assets		
	Total Assets		
Liabilities			
	Total Liabilities		
Net Assets (Total Assets less Total Liabilities)			

Checklist for auditor's report

(see notes 41 to 44)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate? (See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

Please explain in your report overleaf or attached.

2. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:

- a. kept proper accounting records with respect to its transactions and its assets and liabilities; and
- b. established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.

(See section 36(4) of the 1992 Act set out in note 43)

Please explain in your report overleaf or attached.

3. Your auditors or auditor must include in their report the following wording:

In our opinion the financial statements:

- give a true and fair view of the matters to which they relate to.
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

Accounting policies

(see notes 35 & 36)


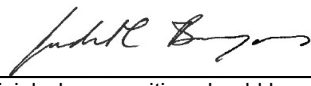
See P12

Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Please copy and paste your electronic signature here

Secretary's Signature: 	CEO's Signature: 
Name: Colin Buck	Name: Judith Bryans
Date: 15 July 2021	Date: 15 July 2021

(or other official whose position should be stated)

Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes	X	No	
Has the list of officers been completed? (see Page 2A)	Yes	X	No	
Has the return been signed? (see Note 37)	Yes	X	No	
Has the auditor's report been completed? (see Note 41)	Yes	X	No	
Is the rule book enclosed? (see Note 39)	Yes	X	No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	X	No	

DAIRY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Dairy UK Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 6th Floor, 210 High Holborn, London, WC1V 7EP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have considered the potential impact of the Coronavirus, and the various measures taken to contain it, on the operations of the company in the near future. There has been an increased demand in milk deliveries within the UK over the past year due to the pandemic and whilst there has been a reduction in membership subscriptions, if this were to continue further, then the company will consider cost cutting measures in order to ensure the long-term viability of the business.

DAIRY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

1.3 Revenue recognition

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT. The business income streams include the following:

Subscriptions

Subscriptions generally run for a period of one year. A membership subscription is payable either annually in advance or monthly by direct debit.

A full member of the company must give not less than one year's notice in writing of resignation from membership. Membership income is accounted for on an accruals basis.

The Roll Container Repatriation Scheme

The Roll Container Repatriation Scheme is a vehicle by which individual members of the scheme can ensure that trolleys are repatriated back to the correct members after being used to transport produce.

Subscriptions for the scheme generally run for a period of one year. A membership subscription is payable annually in advance.

Members are also charged a monthly fee based on the number of trolley returns in that month.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold property	over the term of the lease
Plant and equipment	3 years straight line
Fixtures and fittings	15% per annum on a reducing balance basis
Computers	3 years straight line
Motor vehicles	4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.6 Investments in subsidiaries

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in surplus or deficit.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

DAIRY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets, which constitute listed investments, are classified through profit or loss and are measured at fair value.

Current asset investments

Current asset investments are measured using the fair value model and are stated at their fair value at the reporting date. Changes in fair value are recognised in the profit and loss account.

Fair value is based on quoted prices in an active market.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

DAIRY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Defined contribution pension scheme

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Defined benefit pension scheme

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

DAIRY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in surplus or deficit as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Deferred tax

Deferred tax liabilities reflect the director's best estimate of future taxes to be paid by the company. This involves estimating future tax rates and likely timings of future events.

Pension assumptions

Reliance has been placed on the figures provided by the Scheme Actuary in determining the pension scheme assets and liabilities.

DAIRY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
General membership subscriptions	1,330,106	1,457,999
Activities including the Roll Container Repatriation Scheme	626,578	629,467
Other activities and project income	209,014	699,966
	<u>2,165,698</u>	<u>2,787,432</u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Total	<u>17</u>	<u>18</u>

5 Income from other fixed asset investments

	2020	2019
	£	£
Rent receivable	<u>340,750</u>	<u>340,750</u>

6 Interest receivable and similar income

	2020	2019
	£	£
Interest receivable and similar income includes the following:		
Bank interest	894	1,317
Other investment income	16,938	15,058
	<u>17,832</u>	<u>16,375</u>

7 Fair value (loss)/gain on investments

	2020	2019
	£	£
Fair value (losses)/gains		
Change in value of financial assets held at fair value through profit or loss	(15,838)	41,306
Changes in the fair value of investment property	-	720,000
	<u>(15,838)</u>	<u>761,306</u>

DAIRY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Tangible fixed assets

	Leasehold property	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2020	80,364	194,183	274,547
Additions	-	19,293	19,293
Disposals	-	(11,623)	(11,623)
At 31 December 2020	80,364	201,853	282,217
Depreciation and impairment			
At 1 January 2020	48,217	144,486	192,703
Depreciation charged in the year	8,036	30,068	38,104
Eliminated in respect of disposals	-	(10,786)	(10,786)
At 31 December 2020	56,253	163,768	220,021
Carrying amount			
At 31 December 2020	24,111	38,085	62,196
At 31 December 2019	32,147	49,697	81,844

9 Investment property

	2020 £
Fair value	
At 1 January 2020 and 31 December 2020	8,000,000

Investment property comprises a residential property located in London. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 December 2020 by James Boatman Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The title of the freehold investment property remains with The National Dairyman's Association Limited. The property has been recognised in these financial statements because the beneficial interest in the property has been transferred to Dairy UK Limited.

A charge is held over the freehold investment property in favour of the trustees of The Dairy UK Limited Pension Scheme for up to £1,700,000.

10 Fixed asset investments

	2020 £	2019 £
Shares in group undertakings and participating interests	6	6

DAIRY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Financial instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through surplus or deficit	421,999	426,697

12 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Service charges due	323,035	373,537
Amounts owed by group undertakings	337	571
Other debtors	44,711	73,402
	<u>368,083</u>	<u>447,510</u>

13 Current asset investments

	2020	2019
	£	£
Listed investments	421,999	426,697

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	62,767	146,100
Corporation tax	28,843	32,367
Other taxation and social security	86,169	75,858
Other creditors	631,894	615,543
	<u>809,673</u>	<u>869,868</u>

15 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution scheme		
Charge to profit or loss in respect of a defined contribution scheme	92,429	96,070

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

DAIRY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Retirement benefit schemes

(Continued)

Defined benefit scheme

The Company operates a defined benefit pension scheme in the UK. There is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. The scheme is closed to future accrual of benefits.

The pension scheme's assets are held separately from those of the company in separate trustee administered funds. The contributions are determined with the advice of an independent actuary on the basis of regular valuations.

The most recent valuation upon which the amounts included in the financial statements are based, was carried out at 31 December 2019. Using this as a basis the actuarial valuation of the scheme has been updated to 31 December 2020 by an independent qualified actuary in accordance with section 28 of FRS 102.

As required by section 28 of FRS 102, the defined benefit liabilities have been measured using the projected unit method.

The company currently pays contributions at the rate of £25,000 (2019: £25,000) per annum. In addition, the company pays Pension Protection Fund levies, administration, trustee and legal expenses as they fall due.

The company's pension obligations in respect of the scheme are secured by a charge over the investment property up to £ 1,700,000.

	2020	2019
	%	%
<i>Key assumptions</i>		
Discount rate	1.35	2.00
Expected rate of increase of pensions in payment	3.01	3.06
RPI	3.06	3.12
CPI Pre 2030	2.26	2.12
CPI Post 2030	2.86	-
	=====	=====
<i>Mortality assumptions</i>		
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	22.00	21.90
- Females	24.40	24.20
	=====	=====
Retiring in 20 years		
- Males	23.70	23.60
- Females	26.10	25.90
	=====	=====

The pensioner mortality assumption for the current year was S3PxA CMI 2019 (2019: S3PxA CMI 2018) projection with 1.5% long-term rate for males and females.

DAIRY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 Retirement benefit schemes

(Continued)

	2020	2019
	£	£
<i>Amounts recognised in the profit and loss account</i>		
Interest on assets	313,000	411,000
Interest on liabilities	(313,000)	(411,000)
	<u> </u>	<u> </u>
Total costs	-	-
	<u> </u>	<u> </u>

	2020	2019
	£	£
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	(652,000)	1,568,000
Actuarial gains/(losses) on scheme assets	191,000	(470,000)
Changes in effect of asset ceiling	436,000	(1,123,000)
	<u> </u>	<u> </u>
Total costs	(25,000)	(25,000)
	<u> </u>	<u> </u>

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2020	2019
	£	£
Present value of defined benefit obligations	15,753,000	15,708,000
Fair value of plan assets	(16,433,000)	(16,824,000)
	<u> </u>	<u> </u>
Surplus in scheme	(680,000)	(1,116,000)
Asset not recognised due to asset ceiling	680,000	1,116,000
	<u> </u>	<u> </u>
Total surplus recognised	-	-
	<u> </u>	<u> </u>

	2020
	£
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 January 2020	15,708,000
Benefits paid	(77,000)
Actuarial gains	(191,000)
Interest cost	313,000
	<u> </u>
At 31 December 2020	15,753,000
	<u> </u>

The defined benefit obligations arise from plans which are wholly or partly funded.

DAIRY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 Retirement benefit schemes (Continued)

	2020
	£
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 January 2020	16,824,000
Interest income	313,000
Return on plan assets (excluding amounts included in net interest)	(652,000)
Benefits paid	(77,000)
Contributions by the employer	25,000
	16,433,000
At 31 December 2020	16,433,000

The actual return on plan assets was £339,000 (2019 - £1,979,000).

	2020	2019
	£	£
<i>Fair value of plan assets at the reporting period end</i>		
Equity instruments	1,222,000	1,118,000
Debt instruments	7,082,000	6,248,000
Cash	165,000	217,000
With profits assets	7,964,000	9,241,000
	16,433,000	16,824,000
	16,433,000	16,824,000

16 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £10.

17 Operating lease commitments

Lessee

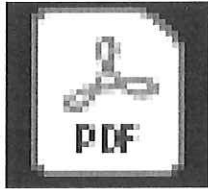
At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020	2019
	£	£
	471,500	594,500
	471,500	594,500

Auditor's report (continued)

Moore Northern Home Counties Limited audited the financial statements of the company for the year ended 31 December 2020 in accordance with the Companies Act 2006 and our report dated 30 June 2021 is attached.

In addition we confirm that in our opinion the financial statements have been prepared in accordance with the requirements of the sections 28, 32, and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.



Auditor's report

Signature(s) of auditor or auditors:	<i>Moore NHC Ltd</i>	
Name(s):	Moore Northern Home Counties Ltd	
Profession(s) or Calling(s):	Statutory Auditor	
Address(es)	73-75 High Street Stevenage Hertfordshire SG1 3HR	
Date:	15 July 2021	
Contact name for enquiries and telephone number:	Anne Davies 01438 741147	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

DAIRY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAIRY UK LIMITED

Opinion

We have audited the financial statements of Dairy UK Limited (the 'company') for the year ended 31 December 2020 which comprise the income and expenditure account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

DAIRY UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DAIRY UK LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

DAIRY UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DAIRY UK LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Moore NHC Ltd

Anne Davies (Senior Statutory Auditor)
For and on behalf of Moore Northern Home Counties Limited

Chartered Accountants

Statutory Auditor

First Floor

73-75 High Street

Stevenage

Hertfordshire

SG1 3HR

30 June 2021
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