

NIAB

England & Wales · Charity number 1064230

Details

Other names	NATIONAL INSTITUTE OF AGRICULTURAL BOTANY, NIAB CHARITABLE CORPORATION LIMITED
Status	Registered
Legal form	Charitable company
Company number	03395389
Registered	1997-09-04
Register	View on the Charity Commission register

Contact

Address	93 Lawrence Weaver Road Cambridge CB3 0LE
Phone	01223342304
Email	info@niab.com
Website	www.niab.com

Activities

Objects: 1.1 THE PROMOTION OF AGRICULTURE, HORTICULTURE AND ARBORICULTURE ANYWHERE IN THE WORLD BY SUCH CHARITABLE MEANS AS SHALL BE THOUGHT FIT INCLUDING IN PARTICULAR (BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING):-1.1.1 THE IMPROVEMENT OF CROPS BY MEANS OF THE TESTING OF VARIETIES, PLANTS AND SEEDS AND THROUGH RESEARCH SO LONG AS THE USEFUL RESULTS OF SUCH RESEARCH ARE DISSEMINATED TO THE PUBLIC;1.1.2 THE CARRYING OUT OF TRIALS FOR THE IDENTIFICATION AND CLASSIFICATION OF PLANT VARIETIES AND ASSESSMENT OF THEIR PERFORMANCE, THE MULTIPLICATION OF STOCKS OF SEED AND THE MAINTENANCE OF REFERENCE COLLECTIONS;1.1.3 THE TESTING OF SEEDS PLANTS AND PLANT DERIVED OR RELATED MATERIALS;1.1.4 RESEARCH INTO AND THE TESTING OF SEEDS AND THE AUTHENTICATION AND CERTIFICATION OF REPRODUCTIVE MATERIAL OF PLANT VARIETIES PROVIDED THAT THE USEFUL RESULTS OF SUCH RESEARCH ARE DISSEMINATED TO THE PUBLIC;1.1.5 THE DISCOVERY AND ASSESSMENT OF THE VALUE OF METHODS OF TREATMENT, PROCESSES AND DESIGNS RELATING TO SEEDS, PLANTS AND CROPS AND OF BENEFIT TO AGRICULTURE, HORTICULTURE, ARBORICULTURE, THE SEED INDUSTRY OR ANY RELATED TRADE OR INDUSTRY;1.1.6 THE PROVISION OF TRAINING FOR THOSE ENGAGED, OR DESIRING TO BECOME ENGAGED, IN THE WORK OF THE INSTITUTE OR RELATED ACTIVITIES OR OCCUPATIONS; AND1.1.7 THE DISSEMINATION OF INFORMATION RELATING TO THE WORK OF THE INSTITUTE, INCLUDING THE GIVING OF ADVICE ON ANY MATTER RELATING THERETO TO THE MINISTRY OF AGRICULTURE FISHERIES AND FOOD AND ANY OTHER PUBLIC AUTHORITY.TO ADVANCE SUCH OTHER CHARITABLE OBJECTS AS THE INSTITUTE MAY DETERMINE.

Activities: Activities within the general areas of crop varieties and seeds, including:Provision of information and advice to farmers, growers and educators.A programme of public good plant breeding which will positively impact the environment and public well-being.Crop variety performance trials and laboratory testing. Contract research for a wide range of organisations.Education and Training.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage, Other Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** WORLDWIDE
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-03-30	£32,895,000	£32,409,000	£-183,000	347
2023-03-30	£29,709,000	£32,381,000	£113,000	369
2022-03-30	£41,843,000	£31,566,000	£-588,000	366
2021-03-30	£31,137,000	£27,496,000	£-12,474,000	361
2020-03-30	£26,893,000	£23,349,000	£-10,766,000	351

Trustees

Name	Role	Appointed
Dr Belinda Rosanna Clarke OBE		2025-09-17
Dr David James Buckeridge		2023-06-21
Dr Guy Henry Smith		2021-11-18
Dr Helen Ferrier		2020-12-08
Jonathan Peter Regan		2020-12-08
Patricia Malarkey		2023-12-20
Professor Mario Jose Caccamo		2021-10-01
Richard James Taylor		2025-07-02

NIAB

England & Wales - Charity number 1064230

Accounts

NIAB

Trustees' Report and Financial Statements

For the Year Ended 31 March 2024

NIAB

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NIAB

**Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 March 2024**

Trustees	Dr D J Buckeridge, Chair (appointed 21 June 2023) S J Ellwood, BSc, (Chair from 17 November 2022 to 21 June 2023) Professor M J Caccamo, Chief Executive Dr H Ferrier, BSc, MSc R C Lowson Professor I J Puddephat, BSc, PhD J P Regan Dr G H Smith P Malarkey (appointed 20 December 2023) Dr N Kerby, MBE, BSc (resigned 22 November 2023) Professor A G Smith, BSc, MPhil, PhD (resigned 22 November 2023)
Company registered number	3395389
Charity registered number	1064230
Registered office	93 Lawrence Weaver Road Cambridge CB3 0LE
Company secretary	M Spraggins
Chief executive officer	Professor M Caccamo
Independent auditors	Moore Kingston Smith LLP Statutory Auditors 9 Appold Street London EC2A 2AP
Bankers	Barclays Bank PLC 1 Churchill Place Canary Wharf London E14 5HP

NIAB

**Reference and Administrative Details of the Charity, its Trustees and Advisers (continued)
For the Year Ended 31 March 2024**

Solicitors

Birketts LLP
22 Station Road
Cambridge
CB1 2JD

Gowling WLG (UK) LLP
4 More, London Riverside
London
SE1 2AU

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT

STRATEGIC REPORT

Background

NIAB is an internationally recognised leader in applied crop research and innovation, providing an integrated innovation and knowledge transfer hub addressing the global challenges of food production, climate change and environmental protection.

The National Institute of Agricultural Botany was founded by Deed of Trust in 1919. It was regulated by a scheme made by the UK Government until 1998, when a new structure was agreed which saw the formation of two charities which would operate in tandem. NIAB was formed to conduct the charitable operations. The National Institute of Agricultural Botany Trust (Charity No. 1144528) (The Trust) provides land, facilities and financial support to NIAB, which The Trust determines is the preferred vehicle to deliver its charitable activities. NIAB controls two other charities: The Arable Group Limited and NIAB EMR.

Building on a longstanding international reputation for expertise in plant varieties and seeds, NIAB's scientific capabilities span the crop improvement pipeline; from underpinning research required to develop higher yielding more climate resilient crops and breeding new plant varieties, through to the extensive trials data, agronomy expertise and advice needed to ensure these advances are transferred effectively to the wider industry. From a position of independence NIAB supports the delivery of Government policies and strategies relevant to food production, protection of the environment and mitigation of climate change, as well as a knowledge-based economy.

Mission and Vision

Our mission is to pioneer crop science for the benefit of society. Our vision to be the UK Centre for crop innovation to contribute to the development of a thriving world powered by crop science.

Our ambition is to provide world-class research, information and advice to support the sustainable crop production in the UK through improved genetics, precision agronomy and robust evidence-based decision support tools. We aim to develop new sustainable farming and growing systems that produce low cost, high quality, safe, healthy foods and beverages with materially reduced impact on the environment and the climate.

Strategy

A central objective of NIAB's research activity is to bridge the gap between the basic understanding of plant science and the ability to apply that knowledge in practice to deliver profitable and sustainable crops.

NIAB has the specialist knowledge, skills and facilities required to support improved crop production, to evaluate variety performance and quality in the field, to design variety selection criteria aimed at performance in regenerative farming compared to conventional agronomy, to conduct agronomy research and to ensure the benefits of new knowledge and genetic potential are transferred on to farm and into the food industry which depends on productive agriculture and horticulture.

The integration of the latest advances in data science alongside expertise in crop (pre-)breeding, agronomy and farming systems is key to unlocking a significant improvement in UK crop production. NIAB's intention is to be at the forefront of crop innovation and to lead a step change in crop productivity, whether through the increased application of bioinformatics and molecular tools in bringing new genetics to the marketplace, or through the combination of data science and agronomy to target on-farm production directly. Our leading understanding of soil biology, structure and crop nutrition are core to deliver improvements to the health, biodiversity, carbon sequestration and the productive capacity of soils in UK and across the world.

NIAB's research activities are increasingly part of global partnerships as the science relevant to UK agriculture finds equal application in other countries.

Public Benefit

The need for innovation in plant breeding and agronomy has never been greater. With climate change and a growing population, food security issues are a global concern. Crop science and technology have a vital role to play in boosting productivity, conserving resources and coping with climate change.

NIAB seeks to:

- advance science for public benefit, primarily through the support of crop research and development, publishing scientific papers and delivering practical solutions, working with a

network of scientific partnerships and collaborations with leading academic, research, policy and commercial organisations in the UK, Europe and the rest of the world.

- demonstrate how plant resources and crop genetic improvement can help address the major global challenges of sustainable use of resources, climate change, food security and the provision of high-quality food to enhance health and nutrition.
- promote agriculture, horticulture and arboriculture anywhere in the world.

- Develop future leaders in plant science in collaboration with leading universities.

The Trustees are satisfied they have complied with their duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Based on this guidance, and as described in this Trustees' report, the Trustees believe the activities of NIAB to be charitable in nature.

Performance

Performance against the 2023/24 objectives is highlighted in the table below:

Objectives	Performance
Deliver the roadmap to a financially and strategically sustainable business with a focus on better crops, growing systems and data.	A roadmap was agreed by NIAB's board focused on the three priority research areas for the business (better crops, growing systems and data) and with the objective to deliver a sustainable business plan.
Review the commercial farming operations of NIAB to optimise the delivery and minimise financial volatility risk	We conducted a thorough review of the farming operations in Cambridge with support from external expertise focused on reducing costs and capital investment whilst maintaining the resources needed to deliver a high-quality field trialling facility.
Agree and implement a new business model for Strawberry Research and Development that will include the development of new partnerships.	In September 2023, NIAB announced the divestment of the Strawberry Breeding program to Bayer. The transaction was completed in January 2024. This allows NIAB to concentrate on pre-commercial soft fruit research, similar to its already established programmes in arable crops, as the organisation moves to prioritising the provision of translational research to benefit growers, consumers and the environment. Bayer continues to develop the strawberry breeding programme from their base in the East Malling research station. NIAB will lead a soft fruit genetic improvement network (Soft Fruit GIN) funded by Defra with the aim to develop resources for strawberries, raspberries and blackberries.
Advance the field of Alternative Proteins through research, breeding and collaboration with industry leaders and an emphasis on strategies and metrics that promote regenerative farming practices.	NIAB leads a work package for plant proteins in a project funded by the Bezos Earth Fund led by Imperial College. This complements a programme of activities focused on protein crops which includes a partnership with University of Leeds.
Develop a strategy to create a Precision Breeding Hub in Cambridge to maximise the opportunity afforded by the Genetics Technologies (Precision Breeding) legislation.	NIAB has supported the implementation of the secondary legislation of the Precision Breeding Act (March 2023). NIAB was successful in a capital project to expand the crop transformation platform in Cambridge to scale the support for gene editing technologies.

Objectives for 2024/25

NIAB is addressing the following objectives for the year to 31 March 2025:

- Agree and implement a new business model for raspberry genetics research that will include the development of new R&D partnerships. This will complement NIAB's leadership in the Soft Fruit Genetic Network funded by Defra.
- Complete the construction of the expansion of the precision breeding platform and develop a research and business strategy for gene editing in crops. We will support the implementation of the secondary legislation for the Precision Breeding Act in Parliament as this is necessary step to fully enable this technology in England.
- Develop a business strategy to grow NIAB's Membership in the context of the new opportunities for innovation.
- Develop an HR strategy to promote equality, diversity and inclusivity in the workplace and attract high-calibre talent to the organisation.
- Agree an Estate Strategy that emphasises an efficient use of land and reduces the carbon footprint (green campus strategy).
- Develop collaborations with the UK's world leading capability in plant and microbial genetics. We will continue to develop the Crop Science Centre, alliance with the University of Cambridge, and strengthen our partnership with the John Innes Centre to combine their expertise with the global translational science leadership of NIAB to deliver practical solutions for a sustainable agriculture and food system in the UK, connecting innovation, growth in rural UK economy, food security and environmental benefits

FINANCIAL REVIEW

Income

The total incoming resources for the group were £32,895k (2023: £29,709k). The income relating to commercial trading operations totalled £7,923k (2023: £7,700k). The group does not carry out fundraising activities.

Expenditure

The total outgoing expenditure was £32,409k (2023: £32,381k).

Capital Expenditure

The charity funded capital purchases from both restricted grants and unrestricted income. The total group spend was £1,237k (2023: £2,777k).

FRS102 requires income from capital grants to be recognised when awarded if there are no conditions to be met that are outside of the control of NIAB. Depreciation is charged when the asset concerned is brought into use which can mean that the income and costs related to grant funded activities can fall in different accounting years. To distinguish operating activity from income and depreciation relating to capital grants, income and expenditure from operations is shown separately on the face of the SOFA.

Business Review and key performance indicators

NIAB continues to review the most appropriate Key Performance Indicators by which the development, performance or position of the various elements of its operations can be effectively measured.

The following Key Performance Indicators (KPIs) have been reviewed for the group: -

	2024	2023
Total Income (excluding capital grants £182k – 2023: £400k)	£32,713k	£29,309k
Staff Costs (before pension past service cost adjustment)	£16,534k	£16,224k
Average Staff Numbers	347	369
Turnover per head (excluding capital grants)	£94.3k	£79.4k

The Charitable and trading Income is a measure of the charity's ability to secure sufficient income to maintain a sustainable research facility. The staff costs and average staff numbers are also an important measure.

Going Concern

The Trustees have acknowledged the guidance on going concern and financial reporting published by the Financial Reporting Council in 2016.

The Group's operating activities are diverse. Research and development in Crop Genetics, Computational Biology, Plant Breeding and Plant Characterisation are supported by long-term contracts and competitively won research grants which, historically, have been largely unaffected by changes in the general economy. Crop Agronomy, Membership, Training and Seed Certification activities are generally contracted on an annual basis and are supported by a diverse customer base. All of that income has been stable over a number of years. More recently the Group has been successful in being awarded large capital grants.

The Group balance sheet shows a deficit of £183k (2023: surplus £113k). Taking out the Restricted and Endowment funds leaves an Unrestricted deficit of £11,662k (2023: £12,398k). Stripping out the pension scheme deficit of £14,356k (2023: £13,741k) (discussed in more detail below), the long-term debt to The Trust of £1,500k and Fixed Assets (Tangible plus Intangible) plus Trade investments in total within Unrestricted funds of £4,126k (2023: £4,692k) leaves an underlying unrestricted reserve surplus of £68k (2023: deficit £1,849k) as described in the Reserves policy in this report.

Given the nature of its income, and with the changes in the current economy, particularly higher inflation, NIAB has undertaken an exercise of reviewing income and direct expenditure, to identify areas of the organisation that are most sensitive to changes and under-performing financially. The results have been used as a basis from which to formulate a model for strategic planning over the coming years. A key component of the revised plan is to create surpluses through improved margins on services and products.

The National Institute of Agricultural Botany Trust (the 'Trust' Charity No. 1144528) was established with similar charitable objects to NIAB and fulfils its charitable objects through the provision of support to NIAB. A key component of the review of going concern, given other uncertainties, has historically been support from The Trust.

In January 2024, NIAB confirmed the divestment of the commercial Strawberry Breeding activities and associated income to Bayer AG. This resulted in a near term inflow of free cash to NIAB which will reduce the reliance on the Trust for the period of 12 months from the date of these financial statements.

At the time of writing this report, the forecast for 2024/25 is for an operational surplus.

NIAB
Trustees' report for the year ended 31 March 2024

A component of the financial risk to NIAB is the pension scheme. The NIAB (1996) Pension Scheme ('Scheme') was established in 1996 following NIAB's separation from Government and establishment as a not-for-profit entity. The Board have taken steps to manage the Scheme deficit, closing the Scheme to new members in 2001 and to future accrual in 2007.

The Trust is a participating employer in the Scheme with NIAB. This means that the entire deficit liability of the pension scheme is shared with The Trust, and the assets of The Trust support NIAB's balance sheet in providing the employer covenant and the payments agreed under the recovery plan. A new recovery plan, based on the triennial valuation at 31 March 2021 has been agreed with the Pension Scheme Trustees and submitted to The Pensions Regulator for approval.

The Trust has a balance sheet value (surplus of assets over liabilities) of c£48m. It has confirmed that it will continue to support NIAB and provide funding and lending sufficient to ensure NIAB remains a going concern, should this be required. The funding includes ongoing funding for research and facilities and contributions to the pension scheme recovery payments. The lending is in the form of an 'overdraft' facility which can be used by NIAB to manage working capital fluctuations in year of up to £2m. NIAB has historically relied on this facility during the summer months, given the highly seasonal nature of some of NIAB's operations.

The Trustees have reviewed the NIAB Group cashflows and management accounts supporting NIAB's activities for the period to 31 March 2026 and have considered the following in arriving at their conclusions on going concern:

1. The cash flow forecast and latest management accounts, which give confidence that NIAB can continue to pay its debts as they fall due.
2. The inflow of the upfront payment for the Strawberry Breeding divestment has returned NIAB to a cash surplus in 2023/24. Additional actions will be required to maintain this surplus into future periods.
3. Should it be required, the Trust's continued support to NIAB through the provision of facilities and funding and borrowing support can be called upon.
4. The Trust being a participating employer alongside NIAB in the Pension Scheme.

After making enquiries and considering the uncertainties described above, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Subsidiaries and related parties

NIAB has three wholly owned subsidiaries, NIAB Trading Ltd, East Malling Services Ltd. and TAG Consulting Limited, which gift aid their profit to NIAB. NIAB EMR and The Arable Group Limited are charitable companies limited by guarantee. In both cases NIAB, as the sole voting member, has the power to appoint the Trustee Board of NIAB EMR and The Arable Group Limited and they are therefore considered to be subsidiary undertakings during 2023/24 by virtue of control.

As outlined above, NIAB has an important relationship with the Trust, which has an object to support NIAB in pursuit of its objects. This includes the provision of land and facilities.

Reserves Policy

The Trustees have reviewed the reserves of the group. The review encompassed the nature and reliability of the income and nature and level of commitment of expenditure streams. They have also considered the financial risks, the need to match variable income with fixed commitments, and the nature of the current reserves.

On a risk-based analysis the Trustees have concluded that their aim is to achieve a general reserve equivalent to between two and four and a half months' worth of unrestricted fund expenditure. At the current annual spend, the reserves target is therefore between £5m and £10m.

At 31 March 2024 group unrestricted reserves excluding fixed assets and pensions liability and the long-term loan from the NIAB Trust, were positive £68k (2023: negative £1,849k). The Trustees have agreed a new business plan, a key component of which will be to create surpluses through improved margins on services and products, thereby increasing the general reserves position.

The Trustees continue to monitor closely the financial position of the group, including forecasts and cash flow projections, to ensure they can demonstrate the ongoing ability of the group to be able to pay its debts as they fall due.

Accounting Period

The Trustees present their report and the financial statements for the year ended 31 March 2024. The company's year-end (Accounting Reference Date) is 28 March, although the financial statements continue to be prepared to 31 March as permitted by section 390(3) of the Companies Act 2006.

RISK ASSESSMENT AND MANAGEMENT

The Board of Trustees is responsible for ensuring there are effective and adequate risk management and internal control systems in place to manage the major risks to which the charity is exposed. The Board reviews the risk register at each meeting.

Principal Risks and Uncertainties

Risk Area	Risk	Management
Strategy / Process	Failure to deliver the business plan (amber).	Executive team remains focused on actions required to deliver a sustainable Business Strategy.
Strategy / Process	Loss of core contract (Varieties & Seeds) from Defra .	There is a short-term contract in place that allows NIAB to continue to deliver the varieties and seeds statutory activities.
Strategy / Process	Loss of key personnel leading to loss of confidence by customers and inability to deliver key services	NIAB has recently offered above-inflation annual pay awards and has appointed new members to the Executive group.
Strategy / Process	Loss of trials land and farm relocation	Ful review of land resource requirements to ensure continued, cost-effective delivery of trials activity.
Customer	Loss of key personnel leading to loss of confidence by customers and inability to deliver key services	Performance related pay structure and quarterly Pay & Reward reviews are in place to reward key staff. Talent management program continues to be developed.
Environmental/External	Commodity price volatility	Increasing energy and commodity prices have impacted on business finances. Reviewing pricing structure for both commercial and research projects to absorb higher costs. Our commercial farming activities are especially sensitive to this risk.
Financial	NIAB Trust are unable to generate value from their asset base and service liabilities recognised on the Balance Sheet	The Trust continues to work closely with a consortium of landowners to seek planning permission for a new development site and are assessing additional development opportunities. The renting of the unused space offers an opportunity to create new income streams.
Financial	Pension Scheme deficit	2021 Triennial valuation has been agreed. The Trust is now a participating employer in the scheme, improving the employers covenant and the ability to fund the required annual deficit contributions. New valuation to be calculated in 2024.

STRUCTURE, GOVERNANCE and MANAGEMENT

Members and Board of Trustees

The Board of Trustees comprises the Chair and up to eleven additional Trustee directors. The Trustees are also the members of the organisation.

The Board has established the following sub-committees:

- Finance (1)
- Nominations and Remuneration (2)

The following Trustees have served during the period or have been appointed subsequently:

Dr D Buckeridge (appointed 21 June 2023)		Chair
Professor M J Caccamo BSc PhD		
S J Ellwood, BSc	1, 2	Chair of Noms & Rems committee
J P Regan	1	Chair of Finance committee
Dr H Ferrier BSc, MSc	2	Since Sept 2024
Dr N Kerby, MBE, BSc (retired 22 November 2023)	1	
R C Lowson	1	Since November 2023
Professor I J Puddephat, BSc PhD	2	
Dr G H Smith		
Professor A G Smith BSc, MPhil, PhD (retired 22 November 2023)	2	
Ms P Malarkey (appointed 20 December 2023)	2	Chair of Noms & Rems committee since September 2024
F A Healy (appointed 19 June 2024)	1	Since September 2024

Recruitment, induction and training of Trustees

NIAB recruits Trustees with the relevant skillset to support the charity's activities. An induction programme has been put in place for newly appointed Trustees and is kept under review and updated where appropriate. In addition, Trustees are in regular contact with the Chief Executive and executive team and receive updates on key areas of activity.

Organisation and governance

The Trustees have used the UK Charity Governance Code to measure the performance of the board and its structure. The Trustees, through its Nominations and Remuneration Committee, regularly review the skills matrix of the board and make annual recommendations to the full board prior to the AGM in respect of membership and performance of the board. Improving governance is an ongoing work and the Trustees will continue to develop the group's governance structure.

NIAB is incorporated in England and Wales and is a company limited by guarantee (registered number 03395389) and a

registered charity (number 1064230). It is governed by its Memorandum and Articles of Association which were last amended 6 May 2021.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Trustee Remuneration

NIAB remunerates the Chair of the Board and provides an honorarium for the Chair of the Finance Committee. In addition to this, a per diem fee is payable to qualifying Trustees.

Decision making and key management

The Board of Directors (Trustees) administer the company and meet quarterly. A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the company. To facilitate effective operations the Chief Executive and Executive Team have delegated authority, within the terms of delegation approved by the board, for all operational matters.

The key management personnel are appointed by NIAB's Chief Executive; they have authority and responsibility for planning, directing and controlling the activities of the NIAB Group. The Nominations and Remuneration Committee consider the pay for key management personnel in the context of the overall company pay review, and the benchmarking of similar roles within BBSRC institutes and industry.

Employees

The average number of employees for the period was 347 (2023: 369). A policy of equal opportunity is pursued throughout, including the treatment of applications for employment from people who may be disabled, taking account only of the qualifications and abilities of each individual. Should any employee become disabled during the course of employment every effort would be made to retain that person's services and to provide necessary re-training.

NIAB engages with its employees through regular meetings and consultations with the representatives from the Prospect and Unite unions.

Continuing education and training are regarded as vital for the continuance of the charity's work, and assistance to this end is provided to a significant number of employees.

Liability Insurance

The Trustees have affected liability insurance as permitted by the company's Articles. This insurance does not provide cover in the event that a Trustee is proved to have acted fraudulently or dishonestly.

STATEMENT OF TRUSTEES RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Trustees (who are also directors of NIAB for the purposes of company law) are responsible for preparing the Trustees' Report, incorporating the Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom General Accepted Accounting Practise (United Kingdom accounting standards and applicable law), including FRS102, the financial reporting standard applicable in the UK and Republic of Ireland. Under company law the Trustees must not approve the financial statements unless that they are satisfied that they give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (FRS102).
- make judgments and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.


The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

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

The Trustees approve the Trustees' Report, incorporating the Strategic Report, and financial statements which are signed on behalf of the Board of Trustees of NIAB.



Dr D Buckeridge, Chair
Date: 20 November 2024

NIAB

Independent Auditors' Report to the of NIAB

Opinion

We have audited the financial statements of NIAB (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise Group Statement of Financial Activities (incorporating the Group Summary Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in 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 there is 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.

NIAB

Independent Auditors' Report to the of NIAB (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual 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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

NIAB

Independent Auditors' Report to the of NIAB (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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.

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 charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable 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.

NIAB

Independent Auditors' Report to the of NIAB (continued)

- 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.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Andrew Stickland (Senior statutory auditor)

for and on behalf of

Moore Kingston Smith LLP

Statutory Auditors

9 Appold Street
London
EC2A 2AP
19 December 2024

NIAB

Consolidated Statement of Financial Activities (incorporating income and expenditure account) For the Year Ended 31 March 2024

Notes	Unrestricted funds	Restricted funds	Endowment funds	Total operating funds	Restricted capital grant funds	Total funds	Total funds	Total funds	Total funds	As restated Total funds
	2024 £000	2024 £000	2024 £000	2024 £000	2024 £000	2024 £000	2024 £000	2024 £000	2023 £000	2023 £000
Income and endowments from:										
Donations	-	683	-	683	-	683	683	700		
Charitable activities	11,627	12,375	-	24,002	182	24,184	24,184	21,246		
Other trading activities	7,923	-	-	7,923	-	7,923	7,923	7,700		
Investments	105	-	-	105	-	105	105	63		
	19,655	13,058	-	32,713	182	32,895	32,895	29,709		
Total income and endowments										
Expenditure on:										
Trading activities	9,530	-	-	9,530	-	9,530	9,530	9,942		
Charitable activities	8,607	12,878	-	21,485	1,394	22,879	22,879	22,439		
	18,137	12,878	-	31,015	1,394	32,409	32,409	32,381		
Total expenditure										
Net (loss)/income before net losses on investments	1,518	180	-	1,698	(1,212)	486	486	(2,672)		
Net losses on investments										
Net (loss)/income (carried forward)	1,518	180	-	1,698	(1,212)	486	486	(2,782)		

The notes on pages 28 to 62 form part of these financial statements.

NIAB

Consolidated Statement of Financial Activities (incorporating income and expenditure account) (continued) For the Year Ended 31 March 2024

Notes	Unrestricted funds	Restricted funds	Endowment funds	Total operating funds	Restricted capital grant funds	Total funds	Total funds	Total funds	<i>As restated</i>		
	2024 £000	2024 £000	2024 £000	2024 £000	2024 £000	2024 £000	2024 £000	2023 £000	2023 £000	2023 £000	2023 £000
Net (loss)/income (brought forward)	1,518	180	-	1,698	(1,212)	486	486	(2,782)			
Transfers between funds	-	-	-	-	-	-	-	-			
Net movement in funds before other recognised gains/(losses)	1,518	180	-	1,698	(1,212)	486	486	(2,782)			
Other recognised gains/(losses)											
Actuarial gains/(losses) on defined benefit pension schemes	(782)	-	-	(782)	-	(782)	(782)	3,483			
Net movement in funds	736	180	-	916	(1,212)	(296)	(296)	701			
Reconciliation of funds											
Total funds brought forward	(12,398)	-	750	(11,648)	11,761	113	113	(588)			
Total funds carried forward	(11,662)	180	750	(10,732)	10,549	(183)	(183)	113			

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 62 form part of these financial statements.

NIAB
Registered number: 3395389

Consolidated Balance Sheet
As at 31 March 2024

	Note	2024 £000	2024 £000	2023 £000	2023 £000
Fixed assets					
Intangible assets	13		374		794
Tangible assets	14		14,266		15,624
Investments	15		35		35
			<u>14,675</u>		<u>16,453</u>
Current assets					
Stocks	17	422		475	
Debtors	18	8,479		7,864	
Cash at bank and in hand	26	3,135		1,749	
			<u>12,036</u>		<u>10,088</u>
Creditors: amounts falling due within one year	19	(10,948)		(10,992)	
Net current assets/(liabilities)			<u>1,088</u>		<u>(904)</u>
Total assets less current liabilities			<u>15,763</u>		<u>15,549</u>
Creditors: amounts falling due after more than one year	20		(1,590)		(1,695)
Net assets excluding pension liability			<u>14,173</u>		<u>13,854</u>
Defined benefit pension scheme liability			(14,356)		(13,741)
Total net assets/(liabilities)			<u><u>(183)</u></u>		<u><u>113</u></u>

NIAB
Registered number: 3395389

Consolidated Balance Sheet (continued)
As at 31 March 2024

	Note	2024 £000	2024 £000	2023 £000	2023 £000
Charity funds					
Endowment funds	22		750		750
Restricted funds:					
Restricted funds	22	180		-	
Restricted capital grant funds	22	10,549		11,761	
Restricted capital grant funds	22		10,729		11,761
Unrestricted funds					
General funds	22	2,694		1,343	
Pension reserve	22	(14,356)		(13,741)	
Total unrestricted funds	22		(11,662)		(12,398)
Total funds			(183)		113

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

The financial statements were approved and authorised for issue by the Trustees on 20 November 2024 and signed on their behalf by:



Dr D J Buckeridge
(Chair of Trustees)

NIAB
Registered number: 3395389

Charity Balance Sheet
As at 31 March 2024

	Note	2024 £000	2023 £000
Fixed assets			
Intangible assets	13	390	794
Tangible assets	14	14,218	15,560
Investments	15	35	35
		<hr/>	<hr/>
		14,643	16,389
Current assets			
Stocks	17	422	359
Debtors	18	7,686	6,253
Cash at bank and in hand		2,144	1,571
		<hr/>	<hr/>
		10,252	8,183
Creditors: amounts falling due within one year	19	(11,338)	(11,359)
		<hr/>	<hr/>
Net current liabilities		(1,086)	(3,176)
Total assets less current liabilities			
		<hr/>	<hr/>
		13,557	13,213
Creditors: amounts falling due after more than one year	20	(1,590)	(1,653)
		<hr/>	<hr/>
Net assets excluding pension liability		11,967	11,560
Defined benefit pension scheme liability		(14,356)	(13,741)
		<hr/>	<hr/>
Total net (liabilities)		(2,389)	(2,181)
		<hr/> <hr/>	<hr/> <hr/>

NIAB
Registered number: 3395389

Charity Balance Sheet (continued)
As at 31 March 2024

	Note	2024 £000	2023 £000
Charity funds			
Endowment funds	22	750	750
Restricted funds:			
Restricted funds	22	180	9,763
Restricted funds - class ii	22	8,551	-
Total restricted funds	22	<u>8,731</u>	9,763
Unrestricted funds			
General funds	22	2,486	1,047
Pension Reserve	22	(14,356)	(13,741)
Total unrestricted funds	22	<u>(11,870)</u>	(12,694)
Total unrestricted funds	22	<u>(11,870)</u>	(12,694)
Total funds		<u><u>(2,389)</u></u>	<u><u>(2,181)</u></u>

The Charity's net movement in funds for the year was £(208) (2023 - £1,209).

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

The financial statements were approved and authorised for issue by the Trustees on 20 November 2024 and signed on their behalf by:



Dr D J Buckeridge
(Chair of Trustees)

The notes on pages 22 to 62 form part of these financial statements.

NIAB

**Consolidated Statement of Cash Flows
For the Year Ended 31 March 2024**

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Net cash used in operating activities	25	2,592	2,017
Cash flows from investing activities			
Proceeds from the sale of intangible assets		260	-
Proceeds from the sale of tangible fixed assets		56	606
Purchase of tangible fixed assets		(1,237)	(2,777)
Net cash used in investing activities		(921)	(2,171)
Cash flows from financing activities			
Repayments of borrowing		(179)	(192)
New finance leases		-	154
Interest paid		(106)	(64)
Net cash used in financing activities		(285)	(102)
Change in cash and cash equivalents in the year		1,386	(256)
Cash and cash equivalents at the beginning of the year		1,749	2,005
Cash and cash equivalents at the end of the year	26	3,135	1,749

The notes on pages 22 to 62 form part of these financial statements

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2024

1. General information

NIAB is a company limited by guarantee incorporated in England and Wales and a registered charity. The registered office of the charity is 93 Lawrence Weaver Road, Cambridge, CB3 0LE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

NIAB meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Charity now focuses its income reporting around four key headings:

Commercial

Defra & Agronomy

Research

Support and Other

The prior year figures have been restated using these categories.

2.2 Fund accounting

General unrestricted funds represent income which is expendable at the discretion of the Board in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose.

Endowment funds relate to gifts to NIAB, the terms of which stipulate that the capital may not be spent, and the income is to be utilised towards a specific restriction imposed by the donor.

Investment income, gains and losses are allocated to the appropriate fund.

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

2. Accounting policies (continued)

2.3 Incoming resources

Income has been analysed in accordance with the service provided.

Income from charitable activities:

Incoming resources from charitable activities are accounted for in the year in which the service is provided.

Trading activities:

Commercial trading operations represent the income from the charitable company's trading subsidiaries – TAG Consulting Limited, NIAB Trading Ltd and East Malling Services Limited – which is included in incoming resources as the service is provided.

Investment income:

Interest is included when receivable by the group.

Income Tax recoverable:

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

Capital grant income:

Some grant income is received for the restricted purpose of acquiring fixed assets. Income is accounted for in the year in which the grant is awarded and there are no other conditions to be met that are outside of the control of NIAB.

2.4 Accrued and deferred income

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as earned when the related services are provided which may mean accruing for invoices not yet raised or deferring payments received in advance of work done.

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

2. Accounting policies (continued)

2.5 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the group to the expenditure. Expenditure is allocated as follows:

Charitable Activities:

Expenditure incurred directly in the fulfillment of the objects of the charity including allocated overheads.

Support costs:

Support costs which include central office functions such as general management, finance, information technology, human resources and governance costs are allocated across categories of expenditure. The basis of the cost allocation has been explained in note 8 to the accounts.

All expenditure is inclusive of irrecoverable VAT.

2.6 Intangible assets and amortisation

IT platform

IT platforms are recognised at cost, which is then amortised evenly over a three year period once the platform has been released for use.

Purchased goodwill

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and amortised evenly over a period of between 5 and 10 years as, in the opinion of the Trustees, this represents the period over which the goodwill is expected to give rise to economic benefit. Goodwill is reviewed for impairment at the end of the first financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Plant variety rights

Plant variety rights are recognised at their fair value at acquisition and are amortised evenly in the period over which the rights expire as, in the opinion of the Trustees, this represents the period over which the rights are expected to give rise to economic benefit. Plant variety rights are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

All tangible fixed assets are stated at historical cost.

Depreciation is provided on cost over the estimated lives of the assets which are considered to be: .

Leasehold improvements	- over the term of the lease
Apparatus and equipment	- 3 -10 years straight line
Agricultural and motor vehicles	- 3 -10 years straight line
Apparatus and equipment	- 33% reducing balance
Computer equipment	- 25% reducing balance
Vehicles	- 10% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Assets in the course of construction are stated at cost and are not depreciated until brought into use.

2.8 Financial instruments

The group only enters into financial assets and financial liabilities which qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.9 Stocks

The financial statements include stocks of chemicals, fertilisers and sprays held by the group, together with a valuation of growing crops for resale. These stocks are stated at the lower of cost and net realisable value. Cost is calculated as follows:

- Agrochemicals, Fertilisers & Sprays are calculated at value invoiced based on a first in first out basis.
- Cultivations & Growing Crops are valued at the cost of the inputs and operations carried out.
- Purchased seed is calculated at suppliers invoice value based on a first in first out basis.
- Farm saved seed is valued at the cost of inputs and operations carried out.

Net realisable value is based on estimated selling price less further costs expected to be incurred for completion and disposal. Provision is made for slow moving items.

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

2. Accounting policies (continued)

2.10 Finance leases and hire purchase

Where assets are financed by leasing agreements that give rights approximating to ownership (“finance leases”), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term.

The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the Statement of Financial Activities in proportion to the remaining balance outstanding.

All other leases are “operating leases” and the annual rentals are charged to Statement of Financial Activities on a straight line basis over the lease term.

2.11 Termination and redundancy payments

Termination and redundancy payments are recognised as a liability and an expense only when the event is demonstrably committed to by either:

- a) termination of the employment of an employee or group of employees before the normal retirement date; or
- b) provision of termination benefits as a result of an offer made in order to encourage voluntary redundancy.

2.12 Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

The Charity’s functional and presentational currency is GBP.

2.13 Research and development

All research and development costs are written off as incurred.

2.14 Investments

Investments in subsidiaries are stated at cost. To the extent that the carrying value exceeds the recoverable amount, an impairment loss is recognised.

2.15 Programme related investments

NIAB holds programme related investments in four commercial companies which it is working with to further its charitable objects. These are carried at fair value when this can be measured reliably or, if it can't, at cost less impairment.

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

2. Accounting policies (continued)

2.16 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

2.17 Creditors

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

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition or the balance sheet date and that are readily convertible to known amounts of cash with insignificant risk of change of value.

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

2. Accounting policies (continued)

2.19 Pensions

NIAB Defined Benefit Pension Scheme

For the defined benefit retirement plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains and losses arising are recognised immediately in the Statement of Financial Activities.

Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits have already vested, the cost is recognised immediately in the Statement of Financial Activities.

The amount recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the lower of the asset and any unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

Universities Superannuation Scheme

The Arable Group Limited participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The liabilities are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustee on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme.

The assets of the scheme are held in a separate trustee-administered fund. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

Under FRS102, the company has accounted for the present value of the contributions payable as identified in the most recent funding agreement.

NIAB, East Malling Services Limited and The Arable Group Limited also operate group money purchase schemes. For these, the pension costs charged in the financial statements represent the contributions payable by the companies during the year.

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

2. Accounting policies (continued)

2.20 Going concern

The Trustees have acknowledged the guidance on going concern and financial reporting published by the Financial Reporting Council in 2016.

The Group's operating activities are diverse. Research and development in Crop Genetics, Computational Biology, Plant Breeding and Plant Characterisation are supported by long-term contracts and competitively won research grants which, historically, have been largely unaffected by changes in the general economy. Crop Agronomy, Membership, Training and Seed Certification activities are generally contracted on an annual basis and are supported by a diverse customer base. All of that income has been stable over a number of years. More recently the Group has been successful in being awarded large capital grants.

The Group balance sheet shows a deficit of £183k (2023: surplus £113k). Taking out the Restricted and Endowment funds leaves an Unrestricted deficit of £11,662k (2023: £12,398k). Stripping out the pension scheme deficit of £14,356k (2023: £13,741k) (discussed in more detail below), the long-term debt to The Trust of £1,500k and Fixed Assets (Tangible plus Intangible) plus Trade investments in total within Unrestricted funds of £4,126k (2023: £4,692k) leaves an underlying unrestricted reserve surplus of £68k (2023: deficit £1,849k) as described in the Reserves policy in this report.

Given the nature of its income, and with the changes in the current economy, particularly higher inflation, NIAB has undertaken an exercise of reviewing income and direct expenditure to identify areas of the organisation that are most sensitive to changes and under-performing financially. The results have been used as a basis from which to formulate a model for strategic planning over the coming years. A key component of the revised plan is to create surpluses through improved margins on services and products.

The National Institute of Agricultural Botany Trust ('The Trust' - Charity No. 1144528) was established with similar charitable objects to NIAB and fulfils its charitable objects through the provision of support to NIAB. A key component of the review of going concern, given other uncertainties, is the support from The Trust.

In January 2024, NIAB confirmed the divestment of commercial Strawberry Breeding activities and associated income to Bayer AG. This resulted in a near term inflow of free cash to NIAB which will reduce the reliance on the Trust for a period of 12 months from the date of these financial statements.

At the time of writing this report, the forecast for 2024/25 is for an operational surplus.

A component of the financial risk to NIAB is the pension scheme. The NIAB (1996) Pension Scheme ('Scheme') was established in 1996 following NIAB's separation from Government and establishment as a not-for-profit entity. The Board have taken steps to manage the Scheme deficit, closing the Scheme to new members in 2001 and to future accrual in 2007.

The Trust is a participating employer in the Scheme with NIAB. This means that the entire deficit liability of the pension scheme is shared with The Trust, and the assets of The Trust support NIAB's balance sheet in providing the employer covenant and the payments agreed under the recovery plan. A new recovery plan, based on the triennial valuation at 31 March 2021 has been agreed with the Pension Scheme Trustees and submitted to The Pensions Regulator for approval.

The Trust has a balance sheet value (surplus of assets over liabilities) of c£48m. It has confirmed that it will continue to support NIAB and provide funding and lending sufficient to ensure NIAB remains a going concern. The funding includes ongoing funding for research and facilities and contributions to the pension scheme recovery payments. The lending is in the form of an 'overdraft' facility which can be used by NIAB to manage

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2024

2. Accounting policies (continued)

2.20 Going concern (continued)

working capital fluctuations in year of up to £2m. NIAB has historically relied on this facility during the summer months, given the highly seasonal nature of some of NIAB's operations.

The Trustees have reviewed the NIAB Group cashflows and management accounts supporting NIAB's activities for the period to 31 March 2026 and have considered the following in arriving at their conclusions on going concern:

1. The cash flow forecast and latest management accounts, which give confidence that NIAB can continue to pay its debts as they fall due.
2. The inflow of the upfront payment for the Strawberry Breeding divestment has returned NIAB to a cash surplus in 2023/24. Additional actions will be required to maintain this surplus into future periods.
3. Should it be required, The Trust's continued support to NIAB through the provision of facilities and funding and borrowing support can be called upon.
4. The Trust being a participating employer alongside NIAB in the Pension Scheme.

After making enquiries and considering the uncertainties described above, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.21 Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Depreciation, which has been charged in line with the accounting policy above. The amount of depreciation charged and net book value of the assets is included in Note 14
- Intangible assets, which were recognised at the fair value of acquisition, and have been amortised. The net book value of the assets is included in Note 13
- Income, which has been recognised in accordance with the work completed on grants and contracts
- Pension Liabilities: The Trustees have reviewed current rates and expected future returns to set the assumptions used for the valuation of the NIAB (1996) Pension Scheme deficit in consultation with the company actuary. Full details are provided in Note 28
- Retirement benefits, the liability for which has been calculated in line with the accounting policy above. Note 27 contains details of the estimates made in this calculation.

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**Notes to the Financial Statements
For the Year Ended 31 March 2024**

3. Income from donations

	Restricted funds 2024 £000	Total funds 2024 £000
Donations		
National Institute of Agricultural Botany Trust - funding towards pension deficit	683	683
	<hr/> <hr/>	<hr/> <hr/>
	<i>Restricted funds 2023 £000</i>	<i>Total funds 2023 £000</i>
Donations		
National Institute of Agricultural Botany Trust - funding towards pension deficit	650	650
National Institute of Agricultural Botany Trust - funding towards accounting system	50	50
	<hr/> <hr/>	<hr/> <hr/>
	700	700

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

4. Income from charitable activities

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Total funds 2024 £000
Commercial	1,563	174	1,737
Defra & Agronomy	4,768	3,033	7,801
Research	175	8,975	9,150
Support & Other	5,121	193	5,314
Grants for capital purchases	-	182	182
Total 2024	11,627	12,557	24,184
	<i>As restated Unrestricted funds 2023 £000</i>	<i>As restated Restricted funds 2023 £000</i>	<i>As restated Total funds 2023 £000</i>
Commercial	2,669	849	3,518
Defra & Agronomy	5,088	2,791	7,879
Research	137	8,472	8,609
Support & Other	1,240	-	1,240
<i>Total 2023 as restated</i>	<i>9,134</i>	<i>12,112</i>	<i>21,246</i>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

5. Income from subsidiary trading activities

	Unrestricted funds 2024 £000	Total funds 2024 £000
Other trading activities	7,923	7,923

	<i>Unrestricted funds 2023 £000</i>	<i>Total funds 2023 £000</i>
Other trading activities	7,700	7,700

6. Investment income

	Unrestricted funds 2024 £000	Total funds 2024 £000
Rental income	105	105

	<i>Unrestricted funds 2023 £000</i>	<i>Total funds 2023 £000</i>
Rental income	63	63

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Total 2024 £000
Charitable expenditure	8,607	14,272	22,879

	<i>Unrestricted funds 2023 £000</i>	<i>Restricted funds 2023 £000</i>	<i>Total 2023 £000</i>
All activities	10,547	11,865	22,412
Support costs	27	-	27
	<u>10,574</u>	<u>11,865</u>	<u>22,439</u>

The Trustees consider that all expenditure is classified as Research and Development expenditure.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

8. Analysis of expenditure by activities

	Activities undertaken directly 2024 £000	Support costs 2024 £000	Total funds 2024 £000
Charitable expenditure	15,441	7,438	22,879

	<i>Activities undertaken directly 2023 £000</i>	<i>Support costs 2023 £000</i>	<i>Total funds 2023 £000</i>
Commercial	15,918	6,494	22,412
Other	27	-	27
	15,945	6,494	22,439

Analysis of support costs

	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Management	3,644	3,180
Finance	1,228	1,070
IT	1,710	1,496
Human Resources	684	598
Governance	172	150
	7,438	6,494

Support costs have been allocated to activity cost categories on a basis consistent with the use of resources.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

9. Auditors' remuneration

	2024	<i>2023</i>
	£000	<i>£000</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	63	<i>43</i>
Fees payable to the Charity's auditor in respect of:		
The auditing of accounts of subsidiaries of the Charity	28	<i>27</i>
Additional fees in respect of audit previous year	12	<i>7</i>
Taxation compliance services	16	<i>6</i>
	=====	<i>=====</i>

10. Staff costs

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2024	<i>2023</i>	2024	<i>2023</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Wages and salaries	13,893	<i>13,766</i>	12,990	<i>12,267</i>
Social security costs	1,301	<i>1,283</i>	1,217	<i>1,138</i>
Contribution to defined contribution pension schemes	998	<i>1,004</i>	927	<i>912</i>
Operating costs of defined benefit pension schemes	342	<i>171</i>	369	<i>150</i>
	=====	<i>=====</i>	=====	<i>=====</i>
	16,534	<i>16,224</i>	15,503	<i>14,467</i>

During the year £59,305 in total (2023: £50,208) was paid to 4 employees (2023: 5 employees) for redundancy payments. Ex gratia payments totalling £47,886 were made to 2 employees (2023: Nil).

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

	Group	<i>Group</i>
	2024	<i>2023</i>
	No.	<i>No.</i>
Technical and Scientific	203	<i>218</i>
Support staff	48	<i>52</i>
Agricultural staff and casuals	96	<i>99</i>
	=====	<i>=====</i>
	347	<i>369</i>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

10. Staff costs (continued)

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

	Group 2024 No.	<i>Group 2023 No.</i>
In the band £60,001 - £70,000	13	<i>14</i>
In the band £70,001 - £80,000	7	<i>6</i>
In the band £80,001 - £90,000	2	<i>1</i>
In the band £90,001 - £100,000	1	<i>-</i>
In the band £100,001 - £110,000	2	<i>1</i>
In the band £110,001 - £120,000	3	<i>2</i>
In the band £130,001 - £140,000	-	<i>1</i>
In the band £150,001 - £160,000	-	<i>1</i>
In the band £190,001 - £200,000	1	<i>-</i>

The key management personnel during the year were:

Professor M Caccamo - CEO
S M Knight
Dr W Orme - CFO (to 31/12/03)
M Leaman
N Watson
Dr J McKee
Professor X Xu

The total costs relating to key management personnel (including wages and salaries, employer's national insurance, pension costs and fees) during the year were £780k (2023: £786k).

The amounts paid to the trustees for their services are shown below in note 11.

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Notes to the Financial Statements For the Year Ended 31 March 2024

11. Trustees' remuneration and expenses

Remuneration paid to the Chair of the Board of Trustees totalled £23,423 (2023:Nil). In 2023 the Chair of the Board of Trustees received an Honorarium of £4,000. The Chair of the Finance Committee received an honorarium of £3,600 (2023:£2,700). Meeting fees totalling £5,600 were paid to six trustees (2023:£9,800 for six trustees). Charity Commission approval has been obtained prior to these payments.

As provided for in the charity's Articles of Association, since November 2017 the Chief Executive of the charity is also a member of the board. The payment to Professor M J Caccamo (during the period of being both a Trustee and an employee) is as follows:

	2024	<i>2023</i>
	£000	<i>£000</i>
Remuneration	194	<i>155</i>
Pension contributions paid	13	<i>14</i>
Other benefits	1	<i>1</i>
	208	<i>170</i>

12. Taxation

NIAB is a registered charity and is exempt from tax on income and capital gains falling within section 505 of the Income and Corporation Taxes Act 1999 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. No tax charges have arisen in the Charitable Company. Any charges arising in the subsidiary companies are disclosed in note 16.

There is no provision for deferred tax on fair value adjustments because any chargeable gains are applied to charitable objectives so no tax liability arises.

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**Notes to the Financial Statements
For the Year Ended 31 March 2024**

13. Intangible assets

Group

	Plant Variety Rights £000	IT Platform £000	Goodwill £000	Total £000
Cost				
At 1 April 2023	1,350	93	318	1,761
Disposals	(463)	-	-	(463)
At 31 March 2024	<u>887</u>	<u>93</u>	<u>318</u>	<u>1,298</u>
Amortisation				
At 1 April 2023	556	93	318	967
Charge for the year	104	-	-	104
At 31 March 2024	<u>513</u>	<u>93</u>	<u>318</u>	<u>924</u>
Net book value				
At 31 March 2024	<u>374</u>	<u>-</u>	<u>-</u>	<u>374</u>
At 31 March 2023	<u>794</u>	<u>-</u>	<u>-</u>	<u>794</u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2024**

13. Intangible assets (continued)

Charity

	Plant Variety Rights £000	IT Platform £000	Total £000
Cost			
At 1 April 2023	1,350	93	1,443
Disposals	(463)	-	(463)
At 31 March 2024	<u>887</u>	<u>93</u>	<u>980</u>
Amortisation			
At 1 April 2023	556	93	649
Charge for the year	88	-	88
At 31 March 2024	<u>497</u>	<u>93</u>	<u>590</u>
Net book value			
At 31 March 2024	<u>390</u>	<u>-</u>	<u>390</u>
At 31 March 2023	<u>794</u>	<u>-</u>	<u>794</u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2024**

14. Tangible fixed assets

Group

	Short-term leasehold property £000	Plant, machinery & vehicles £000	Office & Computer equipment £000	Scientific equipment £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 April 2023	12,595	9,433	1,572	4,257	863	28,720
Additions	-	404	17	354	462	1,237
Disposals	-	(308)	-	-	-	(308)
Transfers between classes	472	83	79	464	(1,098)	-
At 31 March 2024	<u>13,067</u>	<u>9,612</u>	<u>1,668</u>	<u>5,075</u>	<u>227</u>	<u>29,649</u>
Depreciation						
At 1 April 2023	1,800	7,064	1,368	2,864	-	13,096
Charge for the year	1,310	654	130	471	-	2,565
On disposals	-	(278)	-	-	-	(278)
At 31 March 2024	<u>3,110</u>	<u>7,440</u>	<u>1,498</u>	<u>3,335</u>	<u>-</u>	<u>15,383</u>
Net book value						
At 31 March 2024	<u><u>9,957</u></u>	<u><u>2,172</u></u>	<u><u>170</u></u>	<u><u>1,740</u></u>	<u><u>227</u></u>	<u><u>14,266</u></u>
At 31 March 2023	<u><u>10,795</u></u>	<u><u>2,369</u></u>	<u><u>204</u></u>	<u><u>1,393</u></u>	<u><u>863</u></u>	<u><u>15,624</u></u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2024**

14. Tangible fixed assets (continued)

Charity

	Short-term leasehold property £000	Plant, machinery & vehicles £000	Office & Computer equipment £000	Scientific equipment £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 April 2023	12,595	9,290	1,572	4,257	863	28,577
Additions	-	404	17	354	462	1,237
Disposals	-	(307)	-	-	-	(307)
Transfers between classes	472	83	79	464	(1,098)	-
At 31 March 2024	<u>13,067</u>	<u>9,470</u>	<u>1,668</u>	<u>5,075</u>	<u>227</u>	<u>29,507</u>
Depreciation						
At 1 April 2023	1,800	6,985	1,368	2,864	-	13,017
Charge for the year	1,310	639	130	471	-	2,550
On disposals	-	(278)	-	-	-	(278)
At 31 March 2024	<u>3,110</u>	<u>7,346</u>	<u>1,498</u>	<u>3,335</u>	<u>-</u>	<u>15,289</u>
Net book value						
At 31 March 2024	<u><u>9,957</u></u>	<u><u>2,124</u></u>	<u><u>170</u></u>	<u><u>1,740</u></u>	<u><u>227</u></u>	<u><u>14,218</u></u>
At 31 March 2023	<u><u>10,795</u></u>	<u><u>2,305</u></u>	<u><u>204</u></u>	<u><u>1,393</u></u>	<u><u>863</u></u>	<u><u>15,560</u></u>

The net book value of the group's and charity's assets includes £271,488 (2023: £506,402) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged in the year on those assets totalled £53,025 (2023: £96,473).

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**Notes to the Financial Statements
For the Year Ended 31 March 2024**

15. Fixed asset investments

Group and Charity	Programme related investments £000
Cost or valuation	
At 1 April 2023	35
At 31 March 2024	35
Net book value	
At 31 March 2024	35
<i>At 31 March 2023</i>	35

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Notes to the Financial Statements For the Year Ended 31 March 2024

16. Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Charity registration number	Principal activity	Class of shares
The Arable Group Limited	00192460	212059	Agriculture	
TAG Consulting Limited	05110993		Agriculture	Ordinary
NIAB Trading Ltd	07390289		Agriculture	Ordinary
NIAB EMR	09894859	1165055	Horticulture	
East Malling Services Ltd.	02335037		Horticulture	Ordinary

The financial results of the subsidiaries for the year were:

Names	Income £000	Expenditure £000	Profit/ Surplus for the year £000	Net assets/ (liabilities) £000
The Arable Group Limited	295	311	(16)	50
TAG Consulting Limited	1,162	1,230	(68)	(248)
NIAB Trading Ltd	4,906	4,861	45	56
NIAB EMR	17	4	13	1,634
East Malling Services Ltd.	3,377	3,439	(62)	736

The registered office of all of the subsidiaries is 93 Lawrence Weaver Road, Cambridge CB3 0LE.

The Arable Group Limited and NIAB EMR are charitable companies limited by guarantee, considered to be subsidiary undertakings by virtue of control, as NIAB is the sole voting member with the power to appoint the board. NIAB holds all of the issued share capital of TAG Consulting Limited, NIAB Trading Ltd and East Malling Services Ltd.

All of the subsidiaries carry out activities in furtherance of NIAB's charitable objectives.

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Notes to the Financial Statements
For the Year Ended 31 March 2024

17. Stocks

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2024	<i>2023</i>	2024	<i>2023</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Raw materials and consumables	265	192	265	192
Finished goods and goods for resale	157	283	157	167
	<u>422</u>	<u>475</u>	<u>422</u>	<u>359</u>

18. Debtors

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2024	<i>2023</i>	2024	<i>2023</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Due within one year				
Trade debtors	2,553	2,815	1,591	1,397
Amounts owed by group undertakings	-	-	2,194	2,078
Other debtors	325	304	173	295
National Institute of Agricultural Botany Trust	27	-	27	-
Prepayments	576	840	573	817
Accrued income	4,998	3,905	3,128	1,666
	<u>8,479</u>	<u>7,864</u>	<u>7,686</u>	<u>6,253</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

19. Creditors: Amounts falling due within one year

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2024	<i>2023</i>	2024	<i>2023</i>
	£000	<i>£000</i>	£000	<i>£000</i>
National Institute of Agricultural Botany Trust	-	980	-	980
Trade creditors	1,781	1,570	1,751	1,479
Amounts owed to group undertakings	-	-	3,095	3,337
Other taxation and social security	952	849	768	660
Obligations under finance lease and hire purchase contracts	62	179	62	179
Other creditors	1,736	1,132	1,351	693
Accruals and deferred income	6,417	6,282	4,311	4,031
	10,948	10,992	11,338	11,359
	Group	<i>Group</i>	Charity	<i>Charity</i>
	2024	<i>2023</i>	2024	<i>2023</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Deferred income at 1 April 2023	3,004	3,582	2,396	2,902
Resources deferred during the year	4,082	3,004	3,199	2,396
Amounts released from previous periods	(3,004)	(3,582)	(2,396)	(2,902)
	4,082	3,004	3,199	2,396

Deferred income relates to annual membership subscriptions paid in advance (key renewal dates being 30 September and 31 December) together with pre-financing payments for EU contracts, grants received in advance of income being recognised and payments received in advance for contracted services.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

20. Creditors: Amounts falling due after more than one year

	Group 2024 £000	<i>Group 2023 £000</i>	Charity 2024 £000	<i>Charity 2023 £000</i>
Other loans	1,500	1,500	1,500	1,500
Net obligations under finance lease and hire purchase contracts	67	129	67	129
Other creditors	23	66	23	24
	<u>1,590</u>	<u>1,695</u>	<u>1,590</u>	<u>1,653</u>

	Group 2024 £000	<i>Group 2023 £000</i>	Company 2024 £000	<i>Company 2023 £000</i>
Obligations under finance leases and hire purchase contracts				
Within one year	195	214	195	214
Within two to five years	151	213	151	213
	<u>346</u>	<u>427</u>	<u>346</u>	<u>427</u>

The obligations under finance leases and hire purchase contracts are secured by a charge over the assets financed.

Other loans -the loan of £1,500,000 is from the National Institute of Agricultural Botany Trust, a related party. Further details of this loan are disclosed in note 32.

21. Financial instruments

	Group 2024 £000	<i>Group 2023 £000</i>	Charity 2024 £000	<i>Charity 2023 £000</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	3,135	1,749	2,144	1,571
	<u>3,135</u>	<u>1,749</u>	<u>2,144</u>	<u>1,571</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by NIAB Trust and other debtors.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

22. Statement of funds

Group Statement of funds - current year

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2024 £000
Unrestricted funds					
General funds	1,343	19,655	(18,137)	-	2,861
Pension fund	(13,741)	-	-	(782)	(14,523)
	<u>(12,398)</u>	<u>19,655</u>	<u>(18,137)</u>	<u>(782)</u>	<u>(11,662)</u>
Endowment funds					
John Oldacre Foundation	750	-	-	-	750
Restricted operating funds					
Support for pension fund	-	683	(683)	-	-
Gates AG one	-	608	(428)	-	180
Growing Kent & Medway	-	885	(885)	-	-
Other restricted fund income	-	10,882	(10,882)	-	-
	<u>-</u>	<u>13,058</u>	<u>(12,878)</u>	<u>-</u>	<u>180</u>
Restricted property funds					
Hasse Fen capital fund	128	-	(60)	-	68
Restricted Capital Grant Funds	11,633	182	(1,334)	-	10,481
	<u>11,761</u>	<u>182</u>	<u>(1,394)</u>	<u>-</u>	<u>10,549</u>
Total Restricted funds	<u>11,761</u>	<u>13,240</u>	<u>(14,272)</u>	<u>-</u>	<u>10,729</u>
Total of funds	<u>113</u>	<u>32,895</u>	<u>(32,409)</u>	<u>(782)</u>	<u>(183)</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

22. Statement of funds (continued)

Group Statement of funds - prior year

	<i>Balance at 1 April 2022 £000</i>	<i>As restated Income £000</i>	<i>As restated Expenditure £000</i>	<i>As restated Gains/ (Losses) £000</i>	<i>Balance at 31 March 2023 £000</i>
Unrestricted funds					
General funds	3,433	17,445	(19,425)	(110)	1,343
Pension fund	(17,405)	-	181	3,483	(13,741)
	<u>(13,972)</u>	<u>17,445</u>	<u>(19,244)</u>	<u>3,373</u>	<u>(12,398)</u>
Endowment funds					
John Oldacre Foundation	750	-	-	-	750
Restricted operating funds					
Support for pension fund	-	650	(650)	-	-
Strawberry Breeding Club	-	734	(734)	-	-
Growing Kent & Medway	-	684	(684)	-	-
Other restricted fund income	-	9,796	(9,796)	-	-
	<u>-</u>	<u>11,864</u>	<u>(11,864)</u>	<u>-</u>	<u>-</u>
Restricted property funds					
Hasse Fen capital fund	188	-	(60)	-	128
Restricted Capital Grant funds	12,446	400	(1,213)	-	11,633
	<u>12,634</u>	<u>400</u>	<u>(1,273)</u>	<u>-</u>	<u>11,761</u>
Total Restricted funds	<u>12,634</u>	<u>12,264</u>	<u>(13,137)</u>	<u>-</u>	<u>11,761</u>
Total of funds	<u>(588)</u>	<u>29,709</u>	<u>(32,381)</u>	<u>3,373</u>	<u>113</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

22. Statement of funds

Charity Statement of funds - current year

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2024 £000
Unrestricted funds					
General funds	1,047	10,224	(8,785)	-	2,486
Pension fund	(13,741)	-	167	(782)	(14,356)
	<u>(12,694)</u>	<u>10,224</u>	<u>(8,618)</u>	<u>(782)</u>	<u>(11,870)</u>
Endowment funds					
John Oldacre Foundation				750	750
Restricted operating funds					
Support for pension fund	-	683	(683)	-	-
Gates AG One	-	608	(428)	-	180
Growing Kent & Medway	-	885	(885)	-	-
Other restricted fund income	-	10,851	(10,851)	-	-
	<u>-</u>	<u>13,027</u>	<u>(12,847)</u>	<u>-</u>	<u>180</u>
Restricted property funds					
Hasse Fen capital grant	128	-	-	-	128
Restricted Capital Grant funds	9,635	182	(1,394)	-	8,423
	<u>9,763</u>	<u>182</u>	<u>(1,394)</u>	<u>-</u>	<u>8,551</u>
Total Restricted funds	<u>9,763</u>	<u>13,209</u>	<u>(14,241)</u>	<u>-</u>	<u>8,731</u>
Total of funds	<u>(2,181)</u>	<u>23,433</u>	<u>(22,859)</u>	<u>(782)</u>	<u>(2,389)</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

22. Statement of funds

Charity Statement of funds - prior year

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2023 £000
Unrestricted funds					
General funds	2,629	6,899	(8,371)	(110)	1,047
Pension fund	(17,405)	-	181	3,483	(13,741)
	<u>(14,776)</u>	<u>6,899</u>	<u>(8,190)</u>	<u>3,373</u>	<u>(12,694)</u>
Endowment funds					
John Oldacre Foundation	750	-	-	-	750
Restricted operating funds					
Support for pension fund	-	650	(650)	-	-
Strawberry Breeding Club	-	734	(734)	-	-
Growing Kent & Medway	-	684	(684)	-	-
Other restricted fund income	-	9,764	(9,764)	-	-
	<u>-</u>	<u>11,832</u>	<u>(11,832)</u>	<u>-</u>	<u>-</u>
Restricted property funds					
Hasse Fen Capital fund	188	-	(60)	-	128
Restricted Capital Grant funds	10,448	400	(1,213)	-	9,635
	<u>10,636</u>	<u>400</u>	<u>(1,273)</u>	<u>-</u>	<u>9,763</u>
Total Restricted funds	<u>10,636</u>	<u>12,232</u>	<u>(13,105)</u>	<u>-</u>	<u>9,763</u>
Total of funds	<u>(3,390)</u>	<u>19,131</u>	<u>(21,295)</u>	<u>3,373</u>	<u>(2,181)</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

23. Summary of funds

Summary of funds - current year

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2024 £000
General funds	(12,398)	19,655	(18,137)	(782)	(11,662)
Endowment funds	750	-	-	-	750
Restricted funds	-	13,058	(12,878)	-	180
Restricted Capital Grants funds	11,761	182	(1,394)	-	10,549
	113	32,895	(32,409)	(782)	(183)

Summary of funds - prior year

	<i>Balance at 1 April 2022 £000</i>	<i>As restated Income £000</i>	<i>As restated Expenditure £000</i>	<i>As restated Gains/ (Losses) £000</i>	<i>Balance at 31 March 2023 £000</i>
General funds	(13,972)	17,445	(19,244)	3,373	(12,398)
Endowment funds	750	-	-	-	750
Restricted funds	-	11,864	(11,864)	-	-
Restricted Capital Grants funds	12,634	400	(1,273)	-	11,761
	(588)	29,709	(32,381)	3,373	113

The John Oldacre Foundation fund is an amount held as capital where only income can be spent. The expenditure is restricted to funding post-graduate studentships of young innovators.

The Hasse Fen capital fund was a grant received to build at NIAB's Hasse Fen site. The expenditure represents annual depreciation of the asset.

The Restricted Capital Grants Fund represents amounts received to buy or build tangible fixed assets. They have all been fully utilised and the relevant assets are in use. The expenditure in the period relates to the depreciation of the assets concerned.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Restricted capital grant funds 2024 £000	Endowment funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	3,717	-	10,549	-	14,266
Intangible fixed assets	374	-	-	-	374
Trade investments	35	-	-	-	35
Current assets	11,106	180	-	750	12,036
Creditors due within one year	(10,948)	-	-	-	(10,948)
Creditors due in more than one year	(1,590)	-	-	-	(1,590)
Defined benefit pension scheme liability	(14,356)	-	-	-	(14,356)
Total	(11,662)	180	10,549	750	(183)

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2023 £000</i>	<i>Restricted capital grant funds 2023 £000</i>	<i>Endowment funds 2023 £000</i>	<i>Total funds 2023 £000</i>
Tangible fixed assets	3,863	11,761	-	15,624
Intangible fixed assets	794	-	-	794
Trade investments	35	-	-	35
Current assets	9,338	-	750	10,088
Creditors due within one year	(10,992)	-	-	(10,992)
Creditors due in more than one year	(1,695)	-	-	(1,695)
Defined benefit pension scheme liability	(13,741)	-	-	(13,741)
Total	(12,398)	11,761	750	113

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £000	<i>Group 2023 £000</i>
Net income/expenditure for the period (as per Statement of Financial Activities)	486	(2,782)
Adjustments for:		
Depreciation charges	2,565	2,514
Amortisation charges	104	93
Investments written off	-	110
Loss/(profit) on the sale of fixed assets	30	(52)
Decrease/(increase) in stocks	53	(145)
Decrease/(increase) in debtors	(615)	2,710
Increase/(decrease) in creditors	30	(314)
Interest payable	106	64
Pension scheme adjustments	(167)	(181)
Net cash provided by operating activities	2,592	2,017

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

26. Analysis of cash and cash equivalents

	Group 2024 £000	<i>Group 2023 £000</i>
Cash in hand	3,135	<i>1,749</i>
Total cash and cash equivalents	3,135	<i>1,749</i>

27. Analysis of changes in net debt

	At 1 April 2023 £000	Cash flows £000	At 31 March 2024 £000
Cash at bank and in hand	1,749	1,386	3,135
Debt due within 1 year	(980)	980	-
Debt due after 1 year	(1,500)	-	(1,500)
Finance leases	(308)	179	(129)
	(1,039)	2,545	1,506

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

28. Pension commitments: Defined Benefit schemes

(A) NIAB Defined Benefit Pension Scheme

NIAB operates a defined benefit pension scheme which was established on 1 April 1996. The assets of this scheme are held in a separate fund controlled by trustees. The scheme was closed to future benefit accrual on 31 July 2007.

The most recent actuarial valuation of the Scheme was carried out as at 31 March 2021. The valuation has been updated to 31 March 2024 by a qualified independent actuary.

NIAB expects to contribute £1,000,400 to its defined benefit pension scheme in 2024/25 (2023/24: £1,000,400).

The amounts recognised in the balance sheet are as follows:

	2024 £000	2023 £000
Present value of funded obligations	(35,450)	(36,208)
Fair value of plan assets	21,094	22,467
Deficit	<u>(14,356)</u>	<u>(13,741)</u>

Included in the deficit is £Nil (2023- £Nil) which is a provision for Guaranteed Minimum Pension equalisation.

The Pension Fund Trustees and the charity agreed as part of the 31 March 2018 valuation that, from 1 April 2020 onwards, pensions in payment will increase in line with CPI rather than RPI. Increases will continue to be capped at 5% pa for pensions accrued pre 1 April 2006 and 2.5% pa for pensions accrued thereafter. That change has resulted in a reduction in the present value of the defined benefit obligation. The amounts recognised in the net income and expenditure are as follows:

	2024 £000	2023 £000
Administration costs incurred during the period	-	150
Net interest cost	640	478
Past service cost	-	-
Total pension expense	<u>640</u>	<u>628</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

**28. Pension commitments: Defined Benefit schemes
(continued)**

The amounts in the statement of other movements in funds are:

	2024 £000	2024 £000	2023 £000	2023 £000
Actuarial gain/(loss) on plan assets		(1,542)		(8,476)
Actuarial gain/(loss) on defined benefit obligation		760		11,959
of which due to experience	(366)		(1,880)	
of which due to demographic assumptions	1,126		-	
of which due to financial assumptions	-		13,839	
Total gain/(loss) in other movements in funds		<u>(782)</u>	-	<u>3,483</u>

Changes in the present value of the defined benefit obligations are:

	2024 £000	2023 £000
Liabilities at the start of the period	(36,208)	(48,403)
Interest cost	(1,697)	(1,333)
Actuarial gain	760	11,959
Benefits paid	<u>1,695</u>	<u>1,569</u>
Liabilities at the end of the period	<u>(35,450)</u>	<u>(36,208)</u>

Changes in the fair value of plan assets are:

	2024 £000	2023 £000
Fair value of plan assets at start of the period	22,467	30,998
Interest income	1,057	855
Actuarial (loss)/gain	(1,542)	(8,476)
Contributions by the employer	807	809
Benefits paid	(1,695)	(1,569)
Non-investment expenses	-	(150)
	<u>21,094</u>	<u>22,467</u>

	2024 £000	2023 £000
Interest income	1,057	855
Actuarial (loss)/gain on plan assets	(1,542)	(8,476)
Return on plan assets	<u>(485)</u>	<u>(7,621)</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

**28. Pension commitments: Defined Benefit schemes
(continued)**

Major categories of plan assets as a percentage of total assets

	2024 £000	2024 %	2023 £000	2023 %
Equities	2,003	9.5	1,716	7.6
Diversified Growth Fund and Alternatives	3,404	16.1	3,216	14.3
LDI, Gilts, Cash and Collateral	10,006	47.5	10,872	48.4
Multi Asset Credit	1,707	8.1	1,589	7.1
CDI	1,672	7.9	2,612	11.6
Property and Infrastructure	2,302	10.9	2,462	11.0
Total	21,094	100.0	22,467	100.0

Principal actuarial assumptions at the balance sheet date:

	2024 %	2023 %
Discount rate	4.8	4.8
Rate of increase in salaries	2.8	2.8
Rate of increase in pensions in payment	2.8	2.8
Rate of inflation RPI	3.3	3.4
Rate of inflation CPI	2.8	2.8
	No.	No.
Life expectancies:		
Current pensioners age 65 - males	21.1	21.9
Current pensioners age 65 - females	23.6	24.2
Future pensioners age 65 (currently age 45) - males	22.1	22.8
Future pensioners age 65 (currently age 45) - females	24.7	25.4

Experience of gains and losses

	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
Liabilities at the end of the year	(35,450)	(36,208)	(48,403)	(50,033)	(43,939)
Assets at the end of the year	21,094	22,469	30,998	30,808	29,952
Deficit at the end of the year	(14,356)	(13,741)	(17,405)	(19,225)	(13,987)
Asset gain	(1,542)	(8,476)	447	1,401	(116)
% of scheme assets	-7.3%	-37.7%	1.4%	4.5%	-0.4%
Liability gain/(loss)	(760)	11,959	1,172	(6,750)	(239)
% of scheme assets	-2.1%	33.0%	2.4%	-13.5%	-0.5%

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2024

28 Pension commitments (continued)

(B) Universities Superannuation Scheme (USS)

	2024 £'000	2023 £'000
The total (credit)/cost (released)/charged to the profit and loss account	(44)	-
Deficit recovery contributions due within one year for the charity	-	3
Deficit recovery contributions due in more than one year for the charity	-	42

Of The Arable Group Limited's 4 employees at 31 March 2024 (2023:4), 2 were members of USS (2023:2)

Since the The Arable Group Limited cannot identify its share of the assets and liabilities of the USS scheme, the following disclosures have been provided by the pension scheme to reflect those relevant for the scheme as a whole.

Following changes to the USS, the scheme now comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement. A formal actuarial valuation of the USS defined benefit liabilities had been carried out as at 31 March 2020 to meet the requirements of the Pensions Act 2004 and this was published in March 2022. The actuarial valuation shows a shortfall of £14.1bn in the USS with the scheme assets being sufficient to cover 83% of its 'technical provisions' liabilities. Based on this valuation the actuary determined that the Employers deficit contributions would be 6.2% of salary until 31 March 2024 and 6.3% thereafter.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The charity was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below.

CPI assumption:

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030

Pension increases (subject to a floor of 0%):

Benefits with no cap: CPI assumption plus 3bps

Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps

Discount rate (forward rates):

Fixed interest gilt yield curve plus Pre-retirement 2.5% p.a. and Post retirement 0.9% p.a.

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2024

Pension commitments (continued)

The following assumptions were used to calculate the group's share of the USS liability:

	2024	2023
Discount rate	0	5.5%
Projected salary inflation	0	0%

Salary inflation assumptions take into account the level of annual pay increases set in the April before the relevant year-end, prevailing CPI rates, and the Bank of England long-term inflation target of 2%. The calculation reflects an assumption that there would be some reduction in member numbers in the forward years. The assumptions underpinning the calculation reflect a prudent assessment of the available information and options but represents a key area of estimation uncertainty in the financial statements.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on the analysis of the Scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions are based on the following mortality tables:

2023	
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females.
Future improvements to mortality	CMI 2021 with smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters and a long-term improvement rate of 1.8% for males and 1.6% for females.

The current life expectancies on retirement at age 65 are:

	2024	2023
Males currently aged 65 years	23.7	24.0
Females currently aged 65 years	25.6	25.6
Males currently aged 45 years	25.4	25.4
Females currently aged 45 years	27.2	27.4

Summary of the Scheme position as at 31 March is set out below:

	2024	2023	2022
Scheme assets	£74.8bn	£129.3bn	£124.4bn
Total scheme liabilities	£75.0bn	£82.9bn	£77.1bn
FRS102 Total scheme deficit	£0.2bn	£46.4bn	£47.3bn
FRS102 Total funding level	101%	111%	83%

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2024

29. Operating lease commitments

At 31 March 2024 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2024	<i>2023</i>	2024	<i>2023</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Not later than 1 year	611	<i>676</i>	611	<i>675</i>
Later than 1 year and not later than 5 years	373	<i>841</i>	373	<i>841</i>
Later than 5 years	19	<i>47</i>	19	<i>47</i>
	1,003	<i>1,564</i>	1,003	<i>1,563</i>

The following lease payments and changes in lease payments have been recognised in the Statement of Financial Activities:

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2024	<i>2023</i>	2024	<i>2023</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Land and Buildings	668	<i>666</i>	668	<i>666</i>
Vehicles & equipment	113	<i>113</i>	107	<i>107</i>
	781	<i>779</i>	775	<i>773</i>

30. Capital commitments

During the year the charity committed to improvements on its Park Farm site at a total cost of £3.2m. The improvements are scheduled to be complete by December 2024.

31. Members' liability

The charitable company is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 March 2024 there were eleven members, comprising the Trustees.

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2024

32. Related party transactions

In the ordinary course of business the company entered into transactions with National Institute of Agricultural Botany Trust. The company has a close relationship with National Institute of Agricultural Botany Trust, which has an object to support NIAB.

During the course of the year NIAB is charged a facilities charge for the occupation of the land and buildings owned by the Trust, and the Trust receives a charge from NIAB relating to the Research Funding Agreement between the two parties. These transactions will be represented by both cash and non-cash, due to accruals made for activities at the end of the financial year.

These transactions are summarised below:

	2024	<i>2023</i>
	£000	<i>£000</i>
Closing debtor/(creditor)	27	<i>(980)</i>
Annual support	1,125	<i>1,125</i>
Support towards pension costs	700	<i>650</i>
Contribution towards other costs	-	<i>50</i>
Premises expenditure	(500)	<i>(500)</i>
	=====	<i>=====</i>

In 2017 NIAB EMR, a subsidiary company, obtained a loan of £1,500,000 from National Institute of Agricultural Botany Trust. The loan was transferred to NIAB on 1 April 2021 when the business, assets and liabilities of NIAB EMR were merged into NIAB. This loan is secured by a first fixed and floating charge on the assets of NIAB EMR and, while there is no fixed repayment timetable, the loan is repayable in full by 8 February 2026. Interest is charged at 2% above the Bank of England base rate, which is considered to be a market value.

The charitable company has taken advantage of the exemptions contained within FRS102, section 33, not to disclose intra-group transactions on the basis that the subsidiaries are wholly owned and the accounts are publicly available.

33. Parent charity result

The parent charity result for the year before other recognised gains and losses and before charges or credits to the pension fund cost was a deficit of £208k (2023: deficit of £2,363k).

NIAB

England & Wales - Charity number 1064230

Accounts

NIAB

Trustees' Report and Financial Statements

For the Year Ended 31 March 2023

NIAB

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NIAB

Reference and Administrative Details of the Charity, its Trustees and Advisers For the Year Ended 31 March 2023

Trustees	Dr D J Buckeridge, Chair (appointed 21 June 2023) S J Ellwood, BSc, Chair (from 17 November 2022 to 21 June 2023) J E Godfrey OBE, Chair (resigned 17 November 2022) Professor M J Caccamo, Chief Executive Dr H Ferrier, BSc, MSc Dr N Kerby, MBE, BSc Dr C A Lang, BA (resigned 17 November 2022) R C Lowson Professor I J Puddephat, BSc, PhD J P Regan Professor A G Smith, BSc, MPhil, PhD Dr G H Smith K E Fidgeon, FCA (resigned 17 November 2022)
Company registered number	3395389
Charity registered number	1064230
Registered office	93 Lawrence Weaver Road Cambridge CB3 0LE
Company secretary	Dr J McKee
Chief executive officer	Professor M Caccamo
Independent auditors	Moore Kingston Smith LLP Statutory Auditors 9 Appold Street London EC2A 2AP
Bankers	Barclays Bank PLC 1 Churchill Place Canary Wharf London E14 5HP

NIAB

Reference and Administrative Details of the Charity, its Trustees and Advisers (continued)
For the Year Ended 31 March 2023

Solicitors

Birketts LLP
22 Station Road
Cambridge
CB1 2JD

Gowling WLG (UK) LLP
4 More, London Riverside
London
SE1 2AU

TRUSTEES' REPORT

INCORPORATING THE STRATEGIC REPORT

STRATEGIC REPORT

Background

NIAB is an internationally recognised leader in applied crop research and innovation, providing an integrated innovation and knowledge transfer hub addressing the global challenges of food production, climate change and environmental protection.

The National Institute of Agricultural Botany was founded by Deed of Trust in 1919. It was regulated by a scheme made by the UK Government until 1998, when a new structure was agreed which saw the formation of two charities which would operate in tandem. NIAB was formed to conduct the charitable operations. The National Institute of Agricultural Botany Trust (Charity No. 1144528) (The Trust) provides land, facilities and financial support to NIAB, which The Trust determines is the preferred vehicle to deliver its charitable activities. NIAB controls two other charities: The Arable Group Limited and NIAB EMR.

Building on a longstanding international reputation for expertise in plant varieties and seeds, NIAB's scientific capabilities span the crop improvement pipeline; from underpinning research required to develop higher yielding more climate resilient crops and breeding new plant varieties, through to the extensive trials data, agronomy expertise and advice needed to ensure these advances are transferred effectively to the wider industry. From a position of independence NIAB supports the delivery of Government policies and strategies relevant to food production, protection of the environment and mitigation of climate change, as well as a knowledge-based economy.

Mission and Vision

Our mission is to provide independent, science-based research and information to support, develop and promote agriculture and horticulture; helping the industry to fulfil its potential in supplying food and renewable resources, while protecting and enhancing the natural environment.

Our vision is to be the UK Centre for crop innovation, providing an integrated research and knowledge transfer hub for the entire crop improvement pipeline. Our ambition is to provide world-class research, information and advice to support the sustainable intensification of crop production in the UK through improved genetics, precision agronomy and robust evidence-based decision support tools. We aim to

develop new sustainable farming and growing systems that produce low cost, high quality, safe, healthy foods and beverages with materially reduced impact on the environment and the climate.

Strategy

A central objective of NIAB's research activity is to bridge the gap between the basic understanding of plant science and the ability to apply that knowledge in practice to deliver profitable and sustainable crops.

NIAB has the specialist knowledge, skills and facilities required to support improved crop production, to evaluate variety performance and quality in the field, to design variety selection criteria aimed at performance in regenerative farming compared to conventional agronomy, to conduct agronomy research and to ensure the benefits of new knowledge and genetic potential are transferred on to farm and into the food industry which depends on productive agriculture and horticulture.

The integration of the latest advances in data science alongside expertise in crop (pre-)breeding, agronomy and farming systems is key to unlocking a significant improvement in UK crop production. NIAB's intention is to be at the forefront of crop innovation and to lead a step change in crop productivity, whether through the increased application of bioinformatics and molecular tools in bringing new genetics to the marketplace, or through the combination of data science and agronomy to target on-farm production directly. Our leading understanding of soil biology, structure and crop nutrition are core to deliver improvements to the health, biodiversity, carbon sequestration and the productive capacity of soils in UK and across the world.

NIAB's research activities are increasingly part of global partnerships as the science relevant to UK agriculture finds equal application in other countries.,

Public Benefit

The need for innovation in plant breeding and agronomy has never been greater. With climate change and a growing population, food security issues are a global concern. Crop science and technology have a vital role to play in boosting productivity, conserving resources and coping with climate change.

NIAB seeks to:

- advance science for public benefit, primarily through the support of crop research and development, publishing scientific papers and

delivering practical solutions, working with a network of scientific partnerships and collaborations with leading academic, research, policy and commercial organisations in the UK, Europe and the rest of the world.

- demonstrate how plant resources and crop genetic improvement can help address the major global challenges of sustainable use of resources, climate change, food security and the provision of high-quality food to enhance health and nutrition.

- promote agriculture, horticulture and arboriculture anywhere in the world.
- Develop future leaders in plant science in collaboration with leading universities.

The Trustees are satisfied they have complied with their duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Based on this guidance, and as described in this Trustees' report, the Trustees believe the activities of NIAB to be charitable in nature.

Performance

Performance against the 2022/23 objectives is highlighted in the table below:

Objectives	Performance
Following the impact of the Covid 19 pandemic and Global events, such as the war in Ukraine, carry out a full review of the 5-year plan, which provides financial agility to deliver an on-going operational surplus.	Roadmap to delivering a sustainable NIAB was reviewed and agreed by the NIAB Board in March 2023. Much of the changes will be delivered in the FY2023/24, including the now completed restructuring of our plant genetics activities.
Agree and implement a new business model for Strawberry Breeding and the promotion of current varieties through the Malling Fruit Brand.	In September 2023, NIAB announced the divestment of the Strawberry Breeding program to Bayer. The transaction was signed in September 2023 and is due to complete January 2024, subject to conditions precedent. NIAB continues to deliver the activities to further breeding programmes in Rubus, Ribes and Malus species.
Advance the field of Alternative Proteins through research, breeding and collaboration with industry leaders.	NIAB led the development of key reports (for Defra and UKRI) on underutilised crops including themes relevant to protein crops. We are currently pursuing several funding opportunities to develop research programmes.
Improve generation of commercial income, particularly Barn4, and broader engagement with the growing Agritech sector	Pricing of commercial trials reviewed and revised. NIAB has sought new income opportunities, such as seed bulking, that compliments work cycles and reduces down time in facilities.
Explore further simplification of the NIAB subsidiary structure	The merger of NIAB EMR into NIAB was completed. The completion of the last contract of NIAB EMR is expected to be completed in FY 2023-24.
Establish a presence in the Iberian Peninsula and strengthen relationships with local growers	NIAB continue to develop the relationship with Spanish growers via the commercialisation of the raspberry variety Malling Bella. The uncertainties surrounding the current economic environment limited the progress of NIAB's strategy in this region.
Successful transition to a new Board Chair, following Mr Jim Godfrey's retirement.	Mr Stephen Ellwood was Chair from November 2022 until Dr David Buckeridge was appointed Chair of Trustees in June 2023.

Objectives for 2023/24

NIAB is addressing the following objectives for the year to 31 March 2024:

- Deliver the roadmap to a financially and strategically sustainable business with a focus on better crops, growing systems and data.
- Review the commercial farming operations of NIAB to optimise the delivery and minimise financial volatility risk
- Agree and implement a new business model for Strawberry Research and Development that will include the development of new partnerships.
- Advance the field of Alternative Proteins through research, breeding and collaboration with industry leaders and an emphasis on strategies and metrics that promote regenerative farming practices.
- Develop a strategy to create a Precision Breeding Hub in Cambridge to maximise the opportunity afforded by the Genetics Technologies (Precision Breeding) legislation.

FINANCIAL REVIEW

Income

The total incoming resources for the group were £29,709k (2022: £41,843k). A total of £12,869k related to Agricultural Services (2022: £13,564k) and £8,023k related to Laboratory and Research (2022: £19,542k which included £10,062k from capital grants). The income relating to commercial trading operations totalled £7,700k (2022: £7,505k). The group does not carry out fundraising activities.

Expenditure

The total outgoing expenditure was £32,381k (2022: £31,566k).

Capital Expenditure

The charity funded the capital purchases from both restricted grants and unrestricted income. The total group spend was £2,777k (2022: £10,110k).

FRS102 requires income from capital grants to be recognised when awarded and there are no conditions to be met that are outside of the control of NIAB, with depreciation charged when the asset concerned is brought into use. To distinguish operating activity from income and depreciation relating to capital grants, income and expenditure from operations is shown separately on the face of the SOFA.

Business Review and key performance indicators

NIAB continues to review the most appropriate Key Performance Indicators by which the development, performance or position of the various elements of its operations can be effectively measured.

The following Key Performance Indicators (KPIs) have been reviewed for the group: -

	2023	2022
Charitable and trading Income (excluding capital grants – 2022: £10,062k)	£29,309k	£31,781k
Staff Costs (before pension past service cost adjustment)	£16,224k	£15,535k
Average Staff Numbers	369	366
Turnover per head (excluding capital grants)	£79.4k	£86.8k

The Charitable and trading Income is a measure of the charity's ability to secure sufficient income to maintain a sustainable research facility. The staff costs and average staff numbers are also an important measure.

Going Concern

The Trustees have acknowledged the guidance on going concern and financial reporting published by the Financial Reporting Council in 2016.

The Group's operating activities are diverse. Research and development in Crop Genetics, Computational Biology, Plant Breeding and Plant Characterisation are supported by long-term contracts and competitively won research grants which, historically, have been largely unaffected by changes in the general economy. Crop Agronomy, Membership, Training and Seed Certification activities are generally contracted on an annual basis and are supported by a diverse customer base. All of that income has been stable over a number of years. More recently the Group has been successful in being awarded large capital grants.

The Group balance sheet shows a surplus of £113k (2022: deficit £588k). Taking out the Restricted and Endowment funds leaves an Unrestricted deficit of £12,398k (2022: £13,972k). Stripping out the pension scheme deficit of £13,741k (2022: £17,405k) (discussed in more detail below), the long-term debt to The Trust of £1,500k and Fixed Assets (Tangible plus Intangible) plus Trade investments in total within Unrestricted funds of £4,692k (2022: £4,313k) leaves an underlying unrestricted reserve deficit of £1,849k (2022: surplus £620k) as described in the Reserves policy in this report.

Given the nature of its income, and with the changes in the current economy, particularly higher inflation, NIAB has undertaken an exercise of reviewing income and direct expenditure, to identify areas of the organisation that are most sensitive to changes and under-performing financially. The results have been used as a basis from which to formulate a model for strategic planning over the coming years. A key component of the revised plan is to create surpluses through improved margins on services and products.

The Trust was established with similar charitable objects to NIAB and fulfils its charitable objects through the provision of support to NIAB. A key component of the review of going concern, given other uncertainties, has historically been support from The Trust.

In September 2023, NIAB announced the divestment of commercial Strawberry Breeding activities and associated income to Bayer AG. The transaction is due to complete in January 2024, subject to conditions precedent, and will result in a near term inflow of free cash to NIAB which will reduce the reliance on the Trust for the period of 12 months from the date of these financial statements.

At the time of writing this report, the forecast for 2023/24 is for an operational surplus.

A component of the financial risk to NIAB is the pension scheme. The NIAB (1996) Pension Scheme ('Scheme') was established in 1996 following NIAB's separation from Government and establishment as a not-for-profit entity. The Board have taken steps to manage the Scheme deficit, closing the Scheme to new members in 2001 and to future accrual in 2007.

The Trust is a participating employer in the Scheme with NIAB. This means that the entire deficit liability of the pension scheme is shared with The Trust, and the assets of The Trust support NIAB's balance sheet in providing the employer covenant and the payments agreed under the recovery plan. A new recovery plan, based on the triennial valuation at 31 March 2021 has been agreed with the Pension Scheme Trustees and submitted to The Pensions Regulator for approval.

The Trust has a balance sheet value of in excess of £55m. It has confirmed that it will continue to support NIAB and provide funding and lending sufficient to ensure NIAB remains a going concern, should this be required. The funding includes ongoing funding for research and facilities and contributions to the pension scheme recovery payments. The lending is in the form of an 'overdraft' facility which can be used by NIAB to manage working capital fluctuations in year of up to £2m. NIAB has historically relied on this facility during the summer months, given the highly seasonal nature of some of NIAB's operations.

The Trustees have considered the following in arriving at their conclusions on going concern:

1. The cash flow forecast and latest management accounts, which give confidence that NIAB can continue to pay its debts as they fall due.
2. The likely inflow of the upfront payment for the Strawberry Breeding divestment will return NIAB to a cash surplus in 2023/24. Additional actions will be required to maintain this surplus into future periods.
3. Should it be required, the Trust's continued support to NIAB through the provision of facilities and funding and borrowing support can be called upon.
4. The Trust being a participating employer alongside NIAB in the Pension Scheme.

After making enquiries and considering the uncertainties described above, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Subsidiaries and related parties

NIAB has three wholly owned subsidiaries, NIAB Trading Ltd, East Malling Services Ltd. and TAG Consulting Limited, which gift aid their profit to NIAB. NIAB EMR and The Arable Group Limited are charitable companies limited by guarantee. In both cases NIAB, as the sole voting member, has the power to appoint the Trustee Board of NIAB EMR and The Arable Group Limited and they are therefore considered to be subsidiary undertakings during 2022/23 by virtue of control.

As outlined above, NIAB has an important relationship with the Trust, which has an object to support NIAB in pursuit of its objects. This includes the provision of land and facilities.

Reserves Policy

The Trustees have reviewed the reserves of the group. The review encompassed the nature and reliability of the income and nature and level of commitment of expenditure streams. They have also considered the financial risks, the need to match variable income with fixed commitments, and the nature of the current reserves.

On a risk-based analysis the Trustees have concluded that their aim is to achieve a general reserve equivalent to between two and four and a half months' worth of unrestricted fund expenditure. At the current annual spend, the reserves target is therefore between £5m and £10m.

At 31 March 2023 group unrestricted reserves excluding fixed assets and pensions liability and the long-term loan from the NIAB Trust, were negative £1,849k (2022: positive £620k). The Trustees have agreed a new business plan, a key component of which will be to create surpluses through improved margins on services and products, thereby increasing the general reserves position. At the time of writing this report, the forecast for 2023/24 is for an operational surplus.

The Trustees continue to monitor closely the financial position of the group, including forecasts and cash flow projections, to ensure they can demonstrate the ongoing ability of the group to be able to pay its debts as they fall due.

Accounting Period

The Trustees present their report and the financial statements for the year ended 31 March 2023. The company's year-end (Accounting Reference Date) is 28 March, although the financial statements continue to be prepared to 31 March as permitted by section 390(3) of the Companies Act 2006.

RISK ASSESSMENT AND MANAGEMENT

The Board of Trustees is responsible for ensuring there are effective and adequate risk management and internal control systems in place to manage the major risks to which the Charity is exposed. The Board reviews the risk register at each meeting.

Principal Risks and Uncertainties

Risk Area	Risk	Management
Strategy / Process	Failure to deliver the business plan	The CEO and Executive team remain focused on the actions required to deliver the Business Strategy and Annual Business Plan, whilst ensuring the short-term focus on the Business Continuity plan.
Strategy / Process	Business disruption caused by instrument/system failure	NIAB are merging Building Management Systems (BMS) across the Cambridge Campus to a cloud-based system which will allow warning messages to be sent to key personnel.
Strategy / Process	Loss of Trials Land and farm relocation	NIAB is beginning a full review of land resource requirements to ensure continued, cost-effective delivery of Trials activity.
Customer	Loss of higher margin revenue streams	NIAB is maintaining conversations with key emerging growers' groups (e.g., Potatoes GB) to ensure retention of funding to support on-farm research following loss of AHDB levy funding. NIAB has secured some alternate financial support to mitigate some of the lost income. Funding across many customers has remained stable for a number of years.
Customer	Loss of key personnel leading to loss of confidence by customers and inability to deliver key services.	Performance related pay structure and quarterly Pay & Reward reviews are in place to reward key staff. Talent management program continues to be developed.
Environmental/External	Commodity price increases	Increasing energy and commodity prices have impacted on business finances. Reviewing pricing structure for both commercial and research projects to absorb higher costs. Our commercial farming activities are especially sensitive to this risk.
Environmental/External	Site infrastructure and resources are unsuitable	NIAB are working with our landlord at the East Malling site to update the irrigation system and seek to replace land earmarked for development. NIAB are reviewing land holding and usage in and around Cambridge, to ensure it meets future needs and operating model.
Financial	NIAB Trust are unable to generate value from their asset base and service liabilities recognised on the Balance Sheet	The Trust continues to work closely with a consortium of landowners to seek planning permission for a new development site and are assessing additional development opportunities.
Financial	Transition to new accounting system from April 2023	After an extensive, company-wide roll out and training program, the transition to the new system has not resulted in any significant downtime and operations. We are close to Business as Usual.
Financial	Pension Scheme deficit	2021 Triennial valuation has been agreed. The Trust is now a participating employer in the scheme, improving the employers covenant and the ability to fund the required annual deficit contributions.

STRUCTURE, GOVERNANCE and MANAGEMENT

Members and Board of Trustees

The Board of Trustees comprises the Chair and up to eleven additional Trustee directors. The Trustees are also the members of the organisation.

The Board has established the following sub-committees:

- Finance (1)
- Nominations and Remuneration (2)

The following Trustees have served during the period:

J E Godfrey, OBE (retired 17 November 2022)	1, 2	Chair
Professor M J Caccamo BSc PhD		
S J Ellwood, BSc	1, 2	Chair (from November 2022 to June 2023)
J P Regan	1	
Dr H Ferrier BSc, MSc		
K E Fidgeon, FCA (retired 17 November 2022)	1	
Dr N Kerby, MBE, BSc	1	
Dr C A Lang, BA (retired 17 November 2022)	2	
R C Lawson		
Professor I J Puddephat, BSc PhD		
Dr G H Smith		
Professor A G Smith BSc, MPhil, PhD	2	

Dr David Buckeridge was appointed the new Chair of Trustees effective from June 2023.

Recruitment, induction and training of Trustees

NIAB recruits Trustees with the relevant skillset to support the charity's activities. An induction programme has been put in place for newly appointed Trustees and is kept under review and updated where appropriate. In addition, Trustees are in regular contact with the Chief Executive and executive team and receive updates on key areas of activity.

Organisation and governance

The Trustees have used the UK Charity Governance Code to measure the performance of the board and its structure. The Trustees, through its Nominations and Remuneration Committee, regularly review the skills matrix of the board and make annual recommendations to the full board prior to the AGM in respect of membership and performance of the board. Improving governance is an ongoing work and the Trustees will continue to develop the group's governance structure.

NIAB is incorporated in England and Wales and is a company limited by guarantee (registered number 03395389) and a registered charity (number 1064230). It is governed by its Memorandum and Articles of Association which were last amended 6 May 2021.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Trustee Remuneration

NIAB provides an ex-gratia payment for the Chair of the Board, and the Chair of the Finance Committee. In addition to this, a per diem fee is payable to qualifying Trustees.

Decision making and key management

The Board of Directors (Trustees) administer the company and meet quarterly. A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the company. To facilitate effective operations the Chief Executive and Executive Team have delegated authority, within the terms of delegation approved by the board, for all operational matters.

The key management personnel are appointed by NIAB's Chief Executive; they have authority and responsibility for planning, directing and controlling the activities of the NIAB Group. The Nominations and Remuneration Committee consider the pay for key management personnel in the context of the overall company pay review, and the benchmarking of similar roles within BBSRC institutes and industry.

Employees

The average number of employees for the period was 369 (2022: 366). A policy of equal opportunity is pursued throughout, including the treatment of applications for employment from people who may be disabled, taking account only of the qualifications and abilities of each individual. Should any employee become disabled during the course of employment every effort would be made to retain that person's services and to provide necessary re-training.

NIAB engages with its employees through regular meetings and consultations with the representatives from the Prospect and Unite unions.

Continuing education and training are regarded as vital for the continuance of the charity's work, and assistance to this end is provided to a significant number of employees.

Liability Insurance

The Trustees have affected liability insurance as permitted by the company's Articles. This insurance does not provide cover in the event that a Trustee is proved to have acted fraudulently or dishonestly.

STATEMENT OF TRUSTEES RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Trustees (who are also directors of NIAB for the purposes of company law) are responsible for preparing the Trustees' Report, incorporating the Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom General Accepted Accounting Practise (United Kingdom accounting standards and applicable law), including FRS102, the financial reporting standard applicable in the UK and Republic of Ireland. Under company law the Trustees must not approve the financial statements unless that they are satisfied that they give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (FRS102).
- make judgments and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

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

The Trustees approve the Trustees' Report, incorporating the Strategic Report, and financial statements which are signed on behalf of the Board of Trustees of NIAB.



Dr D Buckeridge, Chairman
Date: 22 November 2023

Independent Auditors' Report to the Members of NIAB

Opinion

We have audited the financial statements of NIAB (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise Group Statement of Financial Activities (incorporating the Group Summary Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in 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 there is 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.

Independent Auditors' Report to the Members of NIAB (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual 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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors' Report to the Members of NIAB (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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.

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 charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable 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.

Independent Auditors' Report to the Members of NIAB (continued)

- 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.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Stickland (Senior statutory auditor)

for and on behalf of

Moore Kingston Smith LLP

Statutory Auditors

9 Appold Street
London
EC2A 2AP

December 2023

NIAB

Consolidated Statement of Financial Activities (incorporating income and expenditure account) For the Year Ended 31 March 2023

	Unrestricted funds	Restricted funds	Endowment funds	Total operating funds	Restricted capital grant funds	Total funds
Notes	2023 £000	2023 £000	2023 £000	2023 £000	2023 £000	2022 £000
Income and endowments from:						
Donations to NIAB						
Funding towards pension deficit	-	650	-	650	-	500
Provision of facilities	-	-	-	-	-	600-
Other donations	247	50	-	297	-	62
Charitable activities	13,586	7,013	-	20,599	400	33,120
Other trading activities	7,700	-	-	7,700	-	7,505
Investments	63	-	-	63	-	56
	21,596	7,713	-	29,309	400	29,709
Total income and endowments						41,843
Expenditure on:						
Trading activities	9,942	-	-	9,942	-	10,339
Charitable activities	13,453	7,713	-	21,166	1,273	22,439
	23,395	7,713	-	31,108	1,273	31,566
Total expenditure						32,381
Net (loss)/income before net losses on investments	(1,799)	-	-	(1,799)	(873)	10,277
Net losses on investments	(110)	-	-	(110)	-	(10)
Net (loss)/income (carried forward)	(1,909)	-	-	(1,509)	(873)	10,267

The notes on pages 28 to 62 form part of these financial statements.

NIAB

Consolidated Statement of Financial Activities (incorporating income and expenditure account) (continued) For the Year Ended 31 March 2023

	Unrestricted funds	Restricted funds	Endowment funds	Total operating funds	Restricted capital grant funds	Total funds
Notes	2023 £000	2023 £000	2023 £000	2023 £000	2023 £000	2022 £000
Net (loss)/income (brought forward)	(1,909)	-	-	(1,509)	(873)	10,267
Transfers between funds	-	-	-	-	-	-
Net movement in funds before other recognised gains/(losses)	(1,909)	-	-	(1,509)	(873)	10,267
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	3,483	-	-	3,483	-	1,619
Net movement in funds	1,574	-	-	1,574	(873)	11,886
Reconciliation of funds						
Total funds brought forward	(13,972)	-	750	(13,222)	12,634	(12,474)
Total funds carried forward	(12,398)	-	750	(11,648)	11,761	(588)

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 62 form part of these financial statements.

NIAB

**Consolidated Balance Sheet
As at 31 March 2023**

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Intangible assets	13		794		887
Tangible assets	14		15,624		15,915
Investments	15		35		145
			<u>16,453</u>		<u>16,947</u>
Current assets					
Stocks	17	475		330	
Debtors	18	7,864		10,574	
Cash at bank and in hand	25	1,749		2,005	
		<u>10,088</u>		<u>12,909</u>	
Creditors: amounts falling due within one year	19	(10,992)		(11,322)	
Net current assets/(liabilities)			<u>(904)</u>		<u>1,587</u>
Total assets less current liabilities			<u>15,549</u>		<u>18,534</u>
Creditors: amounts falling due after more than one year	20		(1,695)		(1,717)
Net assets excluding pension liability			<u>13,854</u>		<u>16,817</u>
Defined benefit pension scheme liability			(13,741)		(17,405)
Total net assets/(liabilities)			<u><u>113</u></u>		<u><u>(588)</u></u>

NIAB

Consolidated Balance Sheet (continued)
As at 31 March 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Charity funds					
Endowment funds	22		750		750
Restricted capital grant funds	22		11,761		12,634
Unrestricted funds					
General funds	22	1,343		3,433	
Pension reserve	22	(13,741)		(17,405)	
Total unrestricted funds	22		(12,398)		(13,972)
Total funds			113		(588)

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

The financial statements were approved and authorised for issue by the Trustees on 22 November 2023 and signed on their behalf by:



Dr D J Buckeridge
(Chair of Trustees)

NIAB

**Charity Statement of financial position
As at 31 March 2023**

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	13	794	887
Tangible assets	14	15,560	15,842
Investments	15	35	145
		<u>16,389</u>	<u>16,874</u>
Current assets			
Stocks	17	359	255
Debtors	18	6,253	7,594
Cash at bank and in hand		1,571	1,419
		<u>8,183</u>	<u>9,268</u>
Creditors: amounts falling due within one year	19	(11,359)	(10,452)
Net current liabilities		<u>(3,176)</u>	<u>(1,184)</u>
Total assets less current liabilities		<u>13,213</u>	<u>15,690</u>
Creditors: amounts falling due after more than one year	20	(1,653)	(1,675)
Net assets excluding pension liability		<u>11,560</u>	<u>14,015</u>
Defined benefit pension scheme liability		(13,741)	(17,405)
Total net assets		<u><u>(2,181)</u></u>	<u><u>(3,390)</u></u>

NIAB

Charity Statement of financial position (continued)
As at 31 March 2023

	Note	2023 £000	2022 £000
Charity funds			
Endowment funds	22	750	750
Restricted funds	22	10,636	10,636
Unrestricted funds			
General funds	22	174	2,629
Pension Reserve	22	(13,741)	(17,405)
		<hr/>	<hr/>
Total unrestricted funds	22	(13,567)	(14,776)
		<hr/>	<hr/>
Total funds		(2,181)	(3,390)
		<hr/> <hr/>	<hr/> <hr/>

The Charity's net movement in funds for the year was £1,209 (2022 - £11,635).

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

The financial statements were approved and authorised for issue by the Trustees on 22 November 2023 and signed on their behalf by:



Dr D J Buckeridge
(Chair of Trustees)

The notes on pages 22 to 61 form part of these financial statements.

NIAB

**Consolidated Statement of Cash Flows
For the Year Ended 31 March 2023**

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash used in operating activities	24	2,017	8,157
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		606	431
Purchase of tangible fixed assets		(2,777)	(10,110)
Purchase of investments		-	(14)
Net cash used in investing activities		(2,171)	(9,693)
Cash flows from financing activities			
Repayments of borrowing		(192)	(227)
New finance leases		154	146
Interest paid		(64)	(33)
Net cash used in financing activities		(102)	(114)
Change in cash and cash equivalents in the year		(256)	(1,650)
Cash and cash equivalents at the beginning of the year		2,005	3,655
Cash and cash equivalents at the end of the year	25	1,749	2,005

The notes on pages 22 to 61 form part of these financial statements

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

1. General information

NIAB is a company limited by guarantee incorporated in England and Wales and a registered charity. The registered office of the charity is 93 Lawrence Weaver Road, Cambridge, CB3 0LE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

NIAB meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Fund accounting

General unrestricted funds represent income which is expendable at the discretion of the Board in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose.

Endowment funds relate to gifts to NIAB, the terms of which stipulate that the capital may not be spent, and the income is to be utilised towards a specific restriction imposed by the donor.

Investment income, gains and losses are allocated to the appropriate fund.

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

2. Accounting policies (continued)

2.3 Incoming resources

Income has been analysed in accordance with the service provided.

Income from charitable activities:

Incoming resources from charitable activities are accounted for in the year in which the service is provided.

Trading activities:

Commercial trading operations represent the income from the charitable company's trading subsidiaries – TAG Consulting Limited, NIAB Trading Ltd and East Malling Services Limited – which is included in incoming resources as the service is provided.

Investment income:

Interest is included when receivable by the group.

Income Tax recoverable:

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

Capital grant income:

Some grant income is received for the restricted purpose of acquiring fixed assets. Income is accounted for in the year in which the grant is awarded and there are no other conditions to be met that are outside of the control of NIAB.

2.4 Accrued and deferred income

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as earned when the related services are provided which may mean accruing for invoices not yet raised or deferring payments received in advance of work done.

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

2. Accounting policies (continued)

2.5 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the group to the expenditure. Expenditure is allocated as follows:

Charitable Activities:

Expenditure incurred directly in the fulfillment of the objects of the charity including allocated overheads.

Support costs:

Support costs which include central office functions such as general management, finance, information technology, human resources and governance costs are allocated across categories of expenditure. The basis of the cost allocation has been explained in note 8 to the accounts.

All expenditure is inclusive of irrecoverable VAT.

2.6 Intangible assets and amortisation

IT platform

IT platforms are recognised at cost, which is then amortised evenly over a three year period once the platform has been released for use.

Purchased goodwill

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and amortised evenly over a period of between 5 and 10 years as, in the opinion of the Trustees, this represents the period over which the goodwill is expected to give rise to economic benefit. Goodwill is reviewed for impairment at the end of the first financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Plant variety rights

Plant variety rights are recognised at their fair value at acquisition and are amortised evenly in the period over which the rights expire as, in the opinion of the Trustees, this represents the period over which the rights are expected to give rise to economic benefit. Plant variety rights are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

2.7 Tangible fixed assets and depreciation

All tangible fixed assets are stated at historical cost.

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is provided on cost over the estimated lives of the assets which are considered to be: .

Leasehold improvements	- over the term of the lease
Apparatus and equipment	- 3 -10 years straight line
Agricultural and motor vehicles	- 3 -10 years straight line
Apparatus and equipment **	- 33% reducing balance
Computer equipment **	- 25% reducing balance
Vehicles **	- 10% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Assets in the course of construction are stated at cost and are not depreciated until brought into use.

** assets transferred from The Arable Group.

2.8 Financial instruments

The group only enters into financial assets and financial liabilities which qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.9 Stocks

The financial statements include stocks of chemicals, fertilisers and sprays held by the group, together with a valuation of growing crops for resale. These stocks are stated at the lower of cost and net realisable value. Cost is calculated as follows:

- Agrochemicals, Fertilisers & Sprays are calculated at value invoiced based on a first in first out basis.
- Cultivations & Growing Crops are valued at the cost of the inputs and operations carried out.
- Purchased seed is calculated at suppliers invoice value based on a first in first out basis.
- Farm saved seed is valued at the cost of inputs and operations carried out.

Net realisable value is based on estimated selling price less further costs expected to be incurred for completion and disposal. Provision is made for slow moving items.

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

2. Accounting policies (continued)

2.10 Finance leases and hire purchase

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term.

The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the Statement of Financial Activities in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to Statement of Financial Activities on a straight line basis over the lease term.

2.11 Termination and redundancy payments

Termination and redundancy payments are recognised as a liability and an expense only when the event is demonstrably committed to by either:

- a) termination of the employment of an employee or group of employees before the normal retirement date; or
- b) provision of termination benefits as a result of an offer made in order to encourage voluntary redundancy.

2.12 Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

The Charity's functional and presentational currency is GBP.

2.13 Research and development

All research and development costs are written off as incurred.

2.14 Investments

Investments in subsidiaries are stated at cost. To the extent that the carrying value exceeds the recoverable amount, an impairment loss is recognised.

2.15 Programme related investments

NIAB holds programme related investments in four commercial companies which it is working with to further its charitable objects. These are carried at fair value when this can be measured reliably or, if it can't, at cost less impairment.

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

2. Accounting policies (continued)

2.16 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

2.17 Creditors

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

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition or the balance sheet date and that are readily convertible to known amounts of cash with insignificant risk of change of value.

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

2. Accounting policies (continued)

2.19 Pensions

NIAB Defined Benefit Pension Scheme

For the defined benefit retirement plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains and losses arising are recognised immediately in the Statement of Financial Activities.

Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits have already vested, the cost is recognised immediately in the Statement of Financial Activities.

The amount recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the lower of the asset and any unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

Universities Superannuation Scheme

The Arable Group Limited participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The liabilities are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustee on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme.

The assets of the scheme are held in a separate trustee-administered fund. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

Under FRS102, the company has accounted for the present value of the contributions payable as identified in the most recent funding agreement.

NIAB, East Malling Services Limited and The Arable Group Limited also operate group money purchase schemes. For these, the pension costs charged in the financial statements represent the contributions payable by the companies during the year.

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

2. Accounting policies (continued)

2.20 Going concern

The Trustees have acknowledged the guidance on going concern and financial reporting published by the Financial Reporting Council in 2016.

The Group's operating activities are diverse. Research and development in Crop Genetics, Computational Biology, Plant Breeding and Plant Characterisation are supported by long-term contracts and competitively won research grants which, historically, have been largely unaffected by changes in the general economy. Crop Agronomy, Membership, Training and Seed Certification activities are generally contracted on an annual basis and are supported by a diverse customer base. All of that income has been stable over a number of years. More recently the Group has been successful in being awarded large capital grants.

The Group balance sheet shows a surplus of £113k (2022: deficit £588k). Taking out the Restricted and Endowment funds leaves an Unrestricted deficit of £12,398k (2022: £13,972k). Stripping out the pension scheme deficit of £13,741k (2022: £17,405k) (discussed in more detail below), the long-term debt to The Trust of £1,500k and Fixed Assets (Tangible plus Intangible) plus Trade investments in total within Unrestricted funds of £4,692k (2022: £4,313k) leaves an underlying unrestricted reserve deficit of £1,849k (2022: negative £620k) as described in the Reserves policy in this report.

Given the nature of its income, and with the changes in the current economy, particularly higher inflation, NIAB has undertaken an exercise of reviewing income and direct expenditure to identify areas of the organisation that are most sensitive to changes and under-performing financially. The results have been used as a basis from which to formulate a model for strategic planning over the coming years. A key component of the revised plan is to create surpluses through improved margins on services and products.

The National Institute of Agricultural Botany Trust ('The Trust' - Charity No. 1144528) was established with similar charitable objects to NIAB and fulfils its charitable objects through the provision of support to NIAB. A key component of the review of going concern, given other uncertainties, is the support from The Trust.

In September 2023 NIAB announced the divestment of commercial Strawberry Breeding activities and associated to Bayer AG. The transaction is due to complete in January 2024, subject to conditions precedent, and will result in a near term inflow of free cash to NIAB which will reduce the reliance on the Trust for a period of 12 months from the date of these financial statements.

At the time of writing this report, the forecast for 2023/24 is for an operational surplus.

A component of the financial risk to NIAB is the pension scheme. The NIAB (1996) Pension Scheme ('Scheme') was established in 1996 following NIAB's separation from Government and establishment as a not-for-profit entity. The Board have taken steps to manage the Scheme deficit, closing the Scheme to new members in 2001 and to future accrual in 2007.

The Trust is a participating employer in the Scheme with NIAB. This means that the entire deficit liability of the pension scheme is shared with The Trust, and the assets of The Trust support NIAB's balance sheet in providing the employer covenant and the payments agreed under the recovery plan. A new recovery plan, based on the triennial valuation at 31 March 2021 has been agreed with the Pension Scheme Trustees and submitted to The Pensions Regulator for approval.

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

2. Accounting policies (continued)

2.20 Going concern (continued)

The Trust has a balance sheet value of in excess of £54m. It has confirmed that it will continue to support NIAB and provide funding and lending sufficient to ensure NIAB remains a going concern. The funding includes ongoing funding for research and facilities and contributions to the pension scheme recovery payments. The lending is in the form of an 'overdraft' facility which can be used by NIAB to manage working capital fluctuations in year of up to £2m. NIAB has historically relied on this facility during the summer months, given the highly seasonal nature of some of NIAB's operations.

The Trustees have considered the following in arriving at their conclusions on going concern:

1. The cash flow forecast and latest management accounts, which give confidence that NIAB can continue to pay its debts as they fall due.
2. The likely inflow of the upfront payment for the Strawberry Breeding divestment will return NIAB to a cash surplus in 2023/24. Additional actions will be required to maintain this surplus into future periods.
3. Should it be required, The Trust's continued support to NIAB through the provision of facilities and funding and borrowing support can be called upon.
4. The Trust being a participating employer alongside NIAB in the Pension Scheme.

After making enquiries and considering the uncertainties described above, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.21 Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Depreciation, which has been charged in line with the accounting policy above. The amount of depreciation charged and net book value of the assets is included in Note 14
- Intangible assets, which were recognised at the fair value of acquisition, and have been amortised. The net book value of the assets is included in Note 13
- Income, which has been recognised in accordance with the work completed on grants and contracts
- Pension Liabilities: The Trustees have reviewed current rates and expected future returns to set the assumptions used for the valuation of the NIAB (1996) Pension Scheme deficit in consultation with the company actuary. Full details are provided in Note 27
- Retirement benefits, the liability for which has been calculated in line with the accounting policy above. Note 27 contains details of the estimates made in this calculation.

NIAB

Notes to the Financial Statements
For the Year Ended 31 March 2023

3. Income from donations

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000
Donations			
National Institute of Agricultural Botany Trust	-	700	700
East Malling Trust	247	-	247
	<u>247</u>	<u>700</u>	<u>947</u>

	<i>Unrestricted funds 2022 £000</i>	<i>Restricted funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Donations			
National Institute of Agricultural Botany Trust	662	500	1,162
	<u>662</u>	<u>500</u>	<u>1,162</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

4. Income from charitable activities

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000
Agricultural services	10,558	2,311	12,869
Laboratory and research	2,921	5,102	8,023
Other activities	107	-	107
Total 2023	<u>13,586</u>	<u>7,413</u>	<u>20,999</u>
	<i>Unrestricted funds 2022 £000</i>	<i>Restricted funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Agricultural services	11,014	2,550	13,564
Laboratory and research	4,813	14,729	19,542
Other activities	14	-	14
<i>Total 2022</i>	<u>15,841</u>	<u>17,279</u>	<u>33,120</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

5. Income from subsidiary trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000
Agricultural services	6,393	6,393
Agronomy consultancy	1,307	1,307
	<hr/> 7,700 <hr/>	<hr/> 7,700 <hr/>

	<i>Unrestricted funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Agricultural services	6,232	6,232
Agronomy consultancy	1,273	1,273
	<hr/> 7,505 <hr/>	<hr/> 7,505 <hr/>

6. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000
Rental income	63	63
	<hr/> 63 <hr/>	<hr/> 63 <hr/>

	<i>Unrestricted funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Rental income	56	56
	<hr/> 56 <hr/>	<hr/> 56 <hr/>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total 2023 £000
Agricultural services	11,109	8,979	20,088
Laboratory and research	2,344	7	2,351
	<hr/> 13,453 <hr/>	<hr/> 8,986 <hr/>	<hr/> 22,439 <hr/>
	<i>Unrestricted funds 2022 £000</i>	<i>Restricted funds 2022 £000</i>	<i>Total 2022 £000</i>
Agricultural services	10,173	7,587	17,760
Laboratory and research	3,227	240	3,467
	<hr/> 13,400 <hr/>	<hr/> 7,827 <hr/>	<hr/> 21,227 <hr/>

The Trustees consider that all expenditure is classified as Research and Development expenditure.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000
Agricultural services	15,911	4,177	20,088
Laboratory and research	34	2,317	2,351
	<u>15,945</u>	<u>6,494</u>	<u>22,439</u>

	<i>Activities undertaken directly 2022 £000</i>	<i>Support costs 2022 £000</i>	<i>Total funds 2022 £000</i>
Agricultural services	14,348	3,412	17,760
Laboratory and research	615	2,852	3,467
	<u>14,963</u>	<u>6,264</u>	<u>21,227</u>

Analysis of support costs

	Agricultural services 2023 £000	Laboratory and research 2023 £000	Total funds 2023 £000
Management	2,041	1,139	3,180
Finance	692	378	1,070
Information Technology	961	535	1,496
Human resources	384	214	598
Governance	99	51	150
	<u>4,177</u>	<u>2,317</u>	<u>6,494</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Agricultural services</i>	<i>Laboratory and research</i>	<i>Total funds</i>
	<i>2022</i>	<i>2022</i>	<i>2022</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Management	1,629	1,376	3,005
Finance	593	497	1,090
Information Technology	780	649	1,429
Human resources	322	270	592
Governance	88	60	148
	<u>3,412</u>	<u>2,852</u>	<u>6,264</u>

Support costs have been allocated to activity cost categories on a basis consistent with the use of resources.

9. Auditors' remuneration

	2023	<i>2022</i>
	£000	<i>£000</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	43	<i>30</i>
Fees payable to the Charity's auditor in respect of:		
The auditing of accounts of subsidiaries of the Charity	27	<i>21</i>
Additional fees in respect of audit previous year	7	<i>-</i>
Taxation compliance services	6	<i>8</i>
	<u>6</u>	<u><i>8</i></u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

10. Staff costs

	Group 2023 £000	<i>Group 2022 £000</i>	Charity 2023 £000	<i>Charity 2022 £000</i>
Wages and salaries	13,766	13,220	12,267	11,622
Social security costs	1,283	1,197	1,138	1,055
Contribution to defined contribution pension schemes	1,004	965	912	855
Operating costs of defined benefit pension schemes	171	153	150	129
	<u>16,224</u>	<u>15,535</u>	<u>14,467</u>	<u>13,661</u>

During the year £50,208 in total (2022: £2,420) was paid to 5 employees (2022: 2 employees) for redundancy payments. No ex gratia payments were made (2022: £35,289 to 2 employees).

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

	Group 2023 No.	<i>Group 2022 No.</i>
Technical and Scientific	218	219
Support staff	52	54
Agricultural staff and casuals	99	93
	<u>369</u>	<u>366</u>

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

10. Staff costs (continued)

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

	Group 2023 No.	<i>Group 2022 No.</i>
In the band £60,001 - £70,000	14	<i>10</i>
In the band £70,001 - £80,000	6	<i>3</i>
In the band £80,001 - £90,000	1	<i>3</i>
In the band £90,001 - £100,000	-	<i>3</i>
In the band £100,001 - £110,000	1	<i>-</i>
In the band £110,001 - £120,000	2	<i>2</i>
In the band £120,001 - £130,000	-	<i>1</i>
In the band £130,001 - £140,000	1	<i>-</i>
In the band £150,001 - £160,000	1	<i>1</i>

The key management personnel during the year were:

Professor M Caccamo - CEO
S M Knight
Dr W Orme - CFO
M Leaman
N Watson
Dr J McKee
Dr R Harrison
Professor X Xu

The total costs relating to key management personnel (including wages and salaries, employer's national insurance, pension costs and fees) during the year were £786k (2022: £1,010k).

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Notes to the Financial Statements For the Year Ended 31 March 2023

11. Trustees' remuneration and expenses

The Chairman of the Board of Trustees and the Chairman of the Board's Finance Committee received honoraria, totalling £6,700 (2022: £9,600). Meeting fees totalling £9,800 were paid to six trustees (2022:£5,000 for six trustees). Charity Commission approval has been obtained prior to these payments.

As provided for in the charity's Articles of Association, since November 2017 the Chief Executive of the charity is also a member of the board. The payments to Professor M J Caccamo (during the period of being both a Trustee and an employee) is as follows:

	2023	<i>2022</i>
	£000	<i>£000</i>
Remuneration	155	<i>77</i>
Pension contributions paid	14	<i>6</i>
Other benefits	1	<i>-</i>
	170	<i>83</i>

12. Taxation

NIAB is a registered charity and is exempt from tax on income and capital gains falling within section 505 of the Income and Corporation Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. No tax charges have arisen in the Charitable Company. Any charges arising in the subsidiary companies are disclosed in Note 16.

There is no provision for deferred tax on fair value adjustments because any chargeable gains are applied to charitable objectives so no tax liability arises.

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**Notes to the Financial Statements
For the Year Ended 31 March 2023**

13. Intangible assets

Group

	Plant Variety Rights £000	IT Platform £000	Purchased Goodwill £000	Total £000
Cost				
At 1 April 2022	1,350	93	318	1,761
At 31 March 2023	<u>1,350</u>	<u>93</u>	<u>318</u>	<u>1,761</u>
Amortisation				
At 1 April 2022	463	93	318	874
Charge for the year	93	-	-	93
At 31 March 2023	<u>556</u>	<u>93</u>	<u>318</u>	<u>967</u>
Net book value				
At 31 March 2023	<u>794</u>	<u>-</u>	<u>-</u>	<u>794</u>
At 31 March 2022	<u>887</u>	<u>-</u>	<u>-</u>	<u>887</u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2023**

13. Intangible assets (continued)

Charity

	Plant Variety Rights £000	IT Platform £000	Total £000
Cost			
At 1 April 2022	1,350	93	1,443
At 31 March 2023	<u>1,350</u>	<u>93</u>	<u>1,443</u>
Amortisation			
At 1 April 2022	463	93	556
Charge for the year	93	-	93
At 31 March 2023	<u>556</u>	<u>93</u>	<u>649</u>
Net book value			
At 31 March 2023	<u>794</u>	<u>-</u>	<u>794</u>
At 31 March 2022	<u>887</u>	<u>-</u>	<u>887</u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2023**

14. Tangible fixed assets

Group

	Short-term leasehold property £000	Plant, machinery & vehicles £000	Office & Computer equipment £000	Scientific equipment £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 April 2022	1,499	9,112	3,091	3,967	10,757	28,426
Additions	-	451	248	717	1,361	2,777
Disposals	-	(160)	(1,768)	(556)	-	(2,484)
Transfers between classes	11,096	30	-	129	(11,255)	-
At 31 March 2023	<u>12,595</u>	<u>9,433</u>	<u>1,571</u>	<u>4,257</u>	<u>863</u>	<u>28,719</u>
Depreciation						
At 1 April 2022	504	6,527	2,671	2,809	-	12,511
Charge for the year	1,296	537	270	411	-	2,514
On disposals	-	(1)	(1,573)	(356)	-	(1,930)
At 31 March 2023	<u>1,800</u>	<u>7,063</u>	<u>1,368</u>	<u>2,864</u>	<u>-</u>	<u>13,095</u>
Net book value						
At 31 March 2023	<u><u>10,795</u></u>	<u><u>2,370</u></u>	<u><u>203</u></u>	<u><u>1,393</u></u>	<u><u>863</u></u>	<u><u>15,624</u></u>
At 31 March 2022	<u><u>995</u></u>	<u><u>2,585</u></u>	<u><u>420</u></u>	<u><u>1,158</u></u>	<u><u>10,757</u></u>	<u><u>15,915</u></u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2023**

14. Tangible fixed assets (continued)

Charity

	Short-term leasehold property £000	Plant, machinery & vehicles £000	Office & Computer equipment £000	Scientific equipment £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 April 2022	1,499	8,968	3,091	3,967	10,757	28,282
Additions	-	451	248	717	1,361	2,777
Disposals	-	(158)	(1,768)	(556)	-	(2,482)
Transfers between classes	11,096	30	-	129	(11,255)	-
At 31 March 2023	<u>12,595</u>	<u>9,291</u>	<u>1,571</u>	<u>4,257</u>	<u>863</u>	<u>28,577</u>
Depreciation						
At 1 April 2022	504	6,456	2,671	2,809	-	12,440
Charge for the year	1,296	529	270	411	-	2,506
On disposals	-	-	(1,573)	(356)	-	(1,929)
At 31 March 2023	<u>1,800</u>	<u>6,985</u>	<u>1,368</u>	<u>2,864</u>	<u>-</u>	<u>13,017</u>
Net book value						
At 31 March 2023	<u><u>10,795</u></u>	<u><u>2,306</u></u>	<u><u>203</u></u>	<u><u>1,393</u></u>	<u><u>863</u></u>	<u><u>15,560</u></u>
At 31 March 2022	<u><u>995</u></u>	<u><u>2,512</u></u>	<u><u>420</u></u>	<u><u>1,158</u></u>	<u><u>10,757</u></u>	<u><u>15,842</u></u>

The net book value of the group's and charity's assets includes £506,402 (2022: £302,748) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged in the year on those assets totalled £96,473 (2022: £79,780).

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**Notes to the Financial Statements
For the Year Ended 31 March 2023**

15. Fixed asset investments

Group and Charity	Programme related investments £000
Cost or valuation	
At 1 April 2022	145
Additions	-
Amounts written off	(110)
At 31 March 2023	<u>35</u>
Net book value	
At 31 March 2023	<u>35</u>
At 31 March 2022	<u>145</u>

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Notes to the Financial Statements For the Year Ended 31 March 2023

16. Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Charity registration number	Principal activity	Class of shares
The Arable Group Limited	00192460	212059	Agriculture	
TAG Consulting Limited	05110993		Agriculture	Ordinary
NIAB Trading Ltd	07390289		Agriculture	Ordinary
NIAB EMR	09894859	1165055	Horticulture	
East Malling Services Ltd.	02335037		Horticulture	Ordinary

The financial results of the subsidiaries for the year were:

Names	Income £000	Expenditure £000	Profit/ Surplus for the year £000	Net assets/ (liabilities) £000
The Arable Group Limited	314	223	91	66
TAG Consulting Limited	1,241	1,294	(53)	(180)
NIAB Trading Ltd	4,869	4,852	17	11
NIAB EMR	50	52	(2)	1,621
East Malling Services Ltd.	4,871	4,629	242	798

The registered office of all of the subsidiaries is 93 Lawrence Weaver Road, Cambridge CB3 0LE.

The Arable Group Limited and NIAB EMR are charitable companies limited by guarantee, considered to be subsidiary undertakings by virtue of control, as NIAB is the sole voting member with the power to appoint the board. NIAB holds all of the issued share capital of TAG Consulting Limited, NIAB Trading Ltd and East Malling Services Ltd.

All of the subsidiaries carry out activities in furtherance of NIAB's charitable objectives.

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**Notes to the Financial Statements
For the Year Ended 31 March 2023**

17. Stocks

	Group 2023 £000	<i>Group 2022 £000</i>	Charity 2023 £000	<i>Charity 2022 £000</i>
Raw materials and consumables	192	150	192	150
Finished goods and goods for resale	283	180	167	105
	<u>475</u>	<u>330</u>	<u>359</u>	<u>255</u>

18. Debtors

	Group 2023 £000	<i>Group 2022 £000</i>	Charity 2023 £000	<i>Charity 2022 £000</i>
Due within one year				
Trade debtors	2,815	3,990	1,397	2,277
Amounts owed by group undertakings	-	-	2,078	1,721
Other debtors	304	461	295	458
Prepayments	840	860	817	838
Accrued income	3,905	5,263	1,666	2,300
	<u>7,864</u>	<u>10,574</u>	<u>6,253</u>	<u>7,594</u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2023**

19. Creditors: Amounts falling due within one year

	Group 2023 £000	<i>Group 2022 £000</i>	Charity 2023 £000	<i>Charity 2022 £000</i>
National Institute of Agricultural Botany Trust	980	148	980	148
Trade creditors	1,570	2,085	1,479	2,000
Amounts owed to group undertakings	-	-	3,337	2,570
Other taxation and social security	849	374	660	283
Obligations under finance lease and hire purchase contracts	179	195	179	195
Other creditors	1,132	1,431	693	918
Accruals and deferred income	6,282	7,089	4,031	4,338
	<u>10,992</u>	<u>11,322</u>	<u>11,359</u>	<u>10,452</u>
	Group 2023 £000	<i>Group 2022 £000</i>	Charity 2023 £000	<i>Charity 2022 £000</i>
Deferred income at 1 April 2022	3,582	4,225	2,902	3,347
Resources deferred during the year	3,004	3,582	2,396	2,902
Amounts released from previous periods	(3,582)	(4,225)	(2,902)	(3,347)
	<u>3,004</u>	<u>3,582</u>	<u>2,396</u>	<u>2,902</u>

Deferred income for the group relates to annual membership subscriptions paid in advance, key renewal dates being 30 September and 31 December, together with pre-financing payments for EU contracts and payments received in advance for contracted services.

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**Notes to the Financial Statements
For the Year Ended 31 March 2023**

20. Creditors: Amounts falling due after more than one year

	Group 2023 £000	<i>Group 2022 £000</i>	Charity 2023 £000	<i>Charity 2022 £000</i>
Other loans	1,500	1,500	1,500	1,500
Net obligations under finance lease and hire purchase contracts	129	151	129	151
Other creditors	66	66	24	24
	<u>1,695</u>	<u>1,717</u>	<u>1,653</u>	<u>1,675</u>

	Group 2023 £000	<i>Group 2022 £000</i>	Company 2023 £000	<i>Company 2022 £000</i>
Obligations under finance leases and hire purchase contracts				
Within one year	195	214	195	214
Within two to five years	151	213	151	213
	<u>346</u>	<u>427</u>	<u>346</u>	<u>427</u>

The obligations under finance leases and hire purchase contracts are secured by a charge over the assets financed.

The loan of £1,500,000 is from the National Institute of Agricultural Botany Trust, a related party. Further details of this loan are disclosed in note 32.

21. Financial instruments

	Group 2023 £000	<i>Group 2022 £000</i>	Charity 2023 £000	<i>Charity 2022 £000</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	1,749	2,005	1,571	1,419
	<u>1,749</u>	<u>2,005</u>	<u>1,571</u>	<u>1,419</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by NIAB Trust and other debtors.

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**Notes to the Financial Statements
For the Year Ended 31 March 2023**

22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2023 £000
Unrestricted funds					
General funds	3,433	21,596	(23,576)	(110)	1,343
Pension fund	(17,405)	-	181	3,483	(13,741)
	<u>(13,972)</u>	<u>21,596</u>	<u>(23,395)</u>	<u>3,373</u>	<u>(12,398)</u>
Endowment funds					
John Oldacre Foundation	750	-	-	-	750
Restricted operating funds					
Restricted grant income	-	7,713	(7,713)	-	-
Restricted property funds					
Hasse Fen capital fund	188	-	(60)	-	128
Restricted Capital Grant Funds	12,446	400	(1,213)	-	11,633
	<u>12,634</u>	<u>400</u>	<u>(1,273)</u>	<u>-</u>	<u>11,761</u>
Total Restricted funds	<u>12,634</u>	<u>8,113</u>	<u>(8,986)</u>	<u>-</u>	<u>11,761</u>
Total of funds	<u>(588)</u>	<u>29,709</u>	<u>(32,381)</u>	<u>3,373</u>	<u>113</u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2023**

22. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/(out) £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 March 2022 £000</i>
Unrestricted funds						
General funds	5,753	24,064	(23,739)	(2,434)	(10)	3,634
Pension fund	(19,225)	-	-	-	1,619	(17,606)
	<u>(13,472)</u>	<u>24,064</u>	<u>(23,739)</u>	<u>(2,434)</u>	<u>1,609</u>	<u>(13,972)</u>
Endowment funds						
John Oldacre Foundation	750	-	-	-	-	750
Restricted operating funds						
Other revenue grants	-	500	(500)	-	-	-
Restricted grant income	-	7,217	(7,217)	-	-	-
	<u>-</u>	<u>7,717</u>	<u>(7,717)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted property funds						
Restricted Capital Grant Funds	248	10,062	(110)	2,434	-	12,634
Total Restricted funds	<u>248</u>	<u>17,779</u>	<u>(7,827)</u>	<u>2,434</u>	<u>-</u>	<u>12,634</u>
Total of funds	<u><u>(12,474)</u></u>	<u><u>41,843</u></u>	<u><u>(31,566)</u></u>	<u><u>-</u></u>	<u><u>1,609</u></u>	<u><u>(588)</u></u>

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Notes to the Financial Statements For the Year Ended 31 March 2023

The John Oldacre Foundation fund is an amount held as capital where only income can be spent. The expenditure is restricted to funding post-graduate studentships of young innovators.

The Hasse Fen capital fund was a grant received to build at NIAB's Hasse Fen site. The expenditure represents annual depreciation of the asset.

The Restricted Capital Grants Fund represents amounts received to buy or build tangible fixed assets. They have all been fully utilised and the relevant assets are in use. The expenditure in the period relates to the depreciation of the assets concerned.

The transfer of £2,434k in 2022 relates to Capital Grant monies received in the previous year and treated as unrestricted. These have now been reallocated and disclosed as Restricted Capital Grant Funds.

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted capital grant funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	3,863	11,761	-	15,624
Intangible fixed assets	794	-	-	794
Trade investments	36	-	-	36
Current assets	9,337	-	750	10,087
Creditors due within one year	(10,993)	-	-	(10,993)
Creditors due in more than one year	(1,694)	-	-	(1,694)
Defined benefit pension scheme liability	(13,741)	-	-	(13,741)
Total	(12,398)	11,761	750	113

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**Notes to the Financial Statements
For the Year Ended 31 March 2023**

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds</i>	<i>Restricted capital grant funds</i>	<i>Endowment funds</i>	<i>Total funds</i>
	2022	2022	2022	2022
	£000	£000	£000	£000
Tangible fixed assets	3,281	12,634	-	15,915
Intangible fixed assets	887	-	-	887
Trade investments	145	-	-	145
Current assets	12,159	-	750	12,909
Creditors due within one year	(11,322)	-	-	(11,322)
Creditors due in more than one year	(1,717)	-	-	(1,717)
Defined benefit pension scheme liability	(17,405)	-	-	(17,405)
Total	<u>(13,972)</u>	<u>12,634</u>	<u>750</u>	<u>(588)</u>

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £000	<i>Group 2022 £000</i>
Net income/expenditure for the year (as per Statement of Financial Activities)	(2,782)	10,267
Adjustments for:		
Depreciation charges	2,514	1,235
Amortisation charges	93	93
Investments written off	110	10
Profit on the sale of fixed assets	(52)	(6)
Increase in stocks	(145)	(32)
Decrease/(increase) in debtors	2,710	(2,509)
Decrease in creditors	(314)	(733)
Interest payable	64	33
Pension scheme adjustments	(181)	(201)
Net cash provided by operating activities	<u>2,017</u>	<u>8,157</u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2023**

25. Analysis of cash and cash equivalents

	Group 2023 £000	<i>Group 2022 £000</i>
Cash in hand	1,749	2,005
Total cash and cash equivalents	1,749	<i>2,005</i>

26. Analysis of changes in net debt

	At 1 April 2022 £000	Cash flows £000	At 31 March 2023 £000
Cash at bank and in hand	2,005	(256)	1,749
Debt due within 1 year	(148)	(832)	(980)
Debt due after 1 year	(1,500)	-	(1,500)
Finance leases	(346)	38	(308)
	11	(1,050)	(1,039)

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Notes to the Financial Statements For the Year Ended 31 March 2023

27. Pension commitments: Defined Benefit schemes

(A) NIAB Defined Benefit Pension Scheme

NIAB operates a defined benefit pension scheme which was established on 1 April 1996. The assets of this scheme are held in a separate fund controlled by trustees. The scheme was closed to future benefit accrual on 31 July 2007.

The most recent actuarial valuation of the Scheme was carried out as at 31 March 2021. The valuation has been updated to 31 March 2023 by a qualified independent actuary.

NIAB expects to contribute £1,000,400 to its defined benefit pension scheme in 2023/24 (2022/23: £1,000,000).

The amounts recognised in the balance sheet are as follows:

	2023 £000	2022 £000
Present value of funded obligations	(36,208)	(48,403)
Fair value of plan assets	22,467	30,998
Deficit	<u>(13,741)</u>	<u>(17,405)</u>

Included in the deficit is £Nil (2022- £Nil) which is a provision for Guaranteed Minimum Pension equalisation.

The Pension Fund Trustees and the charity agreed as part of the 31 March 2018 valuation that, from 1 April 2020 onwards, pensions in payment will increase in line with CPI rather than RPI. Increases will continue to be capped at 5% pa for pensions accrued pre 1 April 2006 and 2.5% pa for pensions accrued thereafter. That change has resulted in a reduction in the present value of the defined benefit obligation. The amounts recognised in the net income and expenditure are as follows:

	2023 £000	2022 £000
Administration costs incurred during the period	150	130
Net interest cost	478	378
Past service cost	-	-
Total pension expense	<u>628</u>	<u>606</u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2023**

**27. Pension commitments: Defined Benefit schemes
(continued)**

The amounts in the statement of other movements in funds are:

	2023 £000	2023 £000	2022 £000	2022 £000
Actuarial gain/(loss) on plan assets		(8,476)		447
Actuarial gain/(loss) on defined benefit obligation		11,959		1,172
of which due to experience	(1,880)		(546)	
of which due to demographic assumptions	-		22	
of which due to financial assumptions	13,839		1,696	
Total gain/(loss) in other movements in funds		<u>3,483</u>	-	<u>1,619</u>

Changes in the present value of the defined benefit obligations are:

	2023 £000	2022 £000
Liabilities at the start of the period	(48,403)	(50,033)
Interest cost	(1,333)	(986)
Actuarial gain	11,959	1,172
Benefits paid	<u>1,569</u>	<u>1,444</u>
Liabilities at the end of the period	<u>(36,208)</u>	<u>(48,403)</u>

Changes in the fair value of plan assets are:

	2023 £000	2022 £000
Fair value of plan assets at start of the period	30,998	30,808
Interest income	855	608
Actuarial (loss)/gain	(8,476)	447
Contributions by the employer	809	709
Benefits paid	(1,569)	(1,444)
Non-investment expenses	(150)	(130)
Fair value of plan assets at end of the period	<u>22,467</u>	<u>30,998</u>

	2023 £000	2022 £000
Interest income	855	608
Actuarial (loss)/gain on plan assets	(8,476)	447
Return on plan assets	<u>(7,621)</u>	<u>1,055</u>

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**Notes to the Financial Statements
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Principal actuarial assumptions at the balance sheet date:

	2023	2022
Discount rate	4.8%	2.8%
Rate of increase in salaries	2.8%	3.4%
Rate of increase in pensions	2.8%	3.3%
Rate of inflation RPI	3.4%	4.0%
Rate of inflation CPI	2.8%	3.4%
Life expectancies:		
Current pensioners age 65 - males	21.9	21.8
Current pensioners age 65 - females	24.2	24.2
Future pensioners age 65 (currently age 45) - males	22.8	22.8
Future pensioners age 65 (currently age 45) - females	25.4	25.3

Experience of gains and losses

	2023	2022	2021	2020	2019
	£000	£000	£000	£000	£000
Liabilities at the end of the year	(36,208)	(48,403)	(50,033)	(43,939)	(48,637)
Assets at the end of the year	22,469	30,998	30,808	29,952	29,864
Deficit at the end of the year	<u>(13,741)</u>	<u>(17,405)</u>	<u>(19,225)</u>	<u>(13,987)</u>	<u>(18,773)</u>
Asset gain	(8,476)	-	-	(116)	852
% of scheme assets	-37.7%	1.4%	4.5%	-.4%	2.9%
Liability gain/(loss)	11,959	1,172	(6,750)	(239)	(2,117)
% of scheme assets	33.0%	2.4%	-13.5%	-.5%	-4.4%

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

**27. Pension commitments: Defined Benefit schemes
(continued)**

(B) Universities Superannuation Scheme

	2023	2022
	£'000	£'000
Liability less than 1 year	3	3
Liability more than 1 year	42	42
Total	45	45

Since the The Arable Group Limited cannot identify its share of the assets and liabilities of the USS scheme, the following disclosures have been provided by the pension scheme to reflect those relevant for the scheme as a whole.

Universities Superannuation Scheme (USS)

Following changes to the USS, this scheme now comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement. The latest formal actuarial valuation of the USS defined benefit liabilities has been carried out as at 31 March 2020 to meet the requirements of the Pensions Act 2004 and was published in March 2022. This actuarial valuation shows a shortfall of £14.1bn in the USS with the scheme assets being sufficient to cover 83% of its 'technical provisions' liabilities.

Based on this valuation the actuary has determined that the Employers deficit contributions will be 6.2% of salary until 31 March 2024 and 6.3% thereafter.

The past service deficit contributions are expected to correct the deficit by 30 April 2038. To reflect the liability for these contributions the charity has used a financial modeller to calculate the provision it needs to recognise in the financial statements. The calculated amount is recognised in the balance sheet and any changes in the value of the deficit liability each year are shown on the Statement of Financial Activities. The assumptions used as part of this modelled for the year ended 31 March 2023 are shown below.

Further details on, and a copy of, the 2020 Actuarial Valuation of the USS can be found on the USS website.

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

**27. Pension commitments: Defined Benefit schemes
(continued)**

Further information on the 2020 actuarial valuation of the USS Scheme is included below.

Of The Arable Group Limited's 4 employees at 31 March 2023 (2022:4), 2 were members of USS (2022:2).

The Arable Group Limited's calculated share of the USS defined benefit pension liability amounts to £45k (2022: £45k) and the total cost charged to the Statement of Financial Activities in respect of USS amounts to £NIL (2022: £15k).

The liability has been re-calculated using the USS model provided with reference to the remaining deficit recovery period of 18 years from 2020 to 2038. Since the group cannot identify its share of the assets and liabilities of the USS scheme, the following disclosures have been provided by the pension scheme to reflect those relevant for the scheme as a whole.

The following assumptions were used to calculate the group's share of the USS liability:

	2023	2022
Discount rate	5.5%	2.22%
Projected salary inflation	3.0%	2.7%

Salary inflation assumptions take into account the level of annual pay increases set in the April before the relevant year-end, prevailing CPI rates, and the Bank of England long-term inflation target of 2%. The calculation reflects an assumption that there would be some reduction in member numbers in the forward years. The assumptions underpinning the calculation reflect a prudent assessment of the available information and options but represents a key area of estimation uncertainty in the financial statements.

Analysis of the charge to the income and expenditure statement is set out below:

	2023 £'000	2022 £'000
Employer contributions	21	8
Contributions allocated to deficit provision	(6)	-
Change in contributions from past expectations	(16)	7
Contribution costs total	<u>(1)</u>	<u>15</u>
Interest payable	1	1
	<u>-</u>	<u>16</u>

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2023	2022
Discount rate	5.5%	2.22%
Pension increases (CPI)	2.7%	2.7%

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

**27. Pension commitments: Defined Benefit schemes
(continued)**

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the Scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions are based on the following mortality tables:

	2020	2018
Male members mortality	101% of S2PMA light	71% of AMC00 (duration 0)
Female members mortality	95% of S3PFA	112% of AMFG00 (duration 0)

Future improvements to mortality are based on the Continuous Mortality Investigation's (CMI) 2019 projections with smoothing parameter of 7.5, an initial addition of 0.5% and a long-term improvement rate of 1.8% for males and 1.6% for females.

The current life expectancies on retirement at age 65 are:

	2023	2022
Males currently aged 65 years	24.0	23.9
Females currently aged 65 years	25.6	25.5
Males currently aged 45 years	26.0	25.9
Females currently aged 45 years	27.4	27.3

Summary of the Scheme position as at 31 March is set out below:

	2023	2022	2021
Scheme assets	£129.3bn	£124.4bn	£80.6bn
Total scheme liabilities	£82.9bn	£77.1bn	£95.8bn
FRS102 Total scheme deficit	£46.4bn	£47.3bn	£15.2bn
FRS102 Total funding level	111%	83%	84%

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2023

28. Operating lease commitments

At 31 March 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Not later than 1 year	676	<i>729</i>	675	<i>728</i>
Later than 1 year and not later than 5 years	841	<i>1,275</i>	841	<i>1,275</i>
Later than 5 years	47	<i>-</i>	47	<i>-</i>
	1,564	<i>2,004</i>	1,563	<i>2,003</i>

The following lease payments and changes in lease payments have been recognised in the Statement of Financial Activities:

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Land and Buildings	666	<i>665</i>	666	<i>665</i>
Motor vehicles	113	<i>155</i>	107	<i>155</i>
	779	<i>820</i>	773	<i>820</i>

29. Post balance sheet events

In September 2023, NIAB announced the divestment of commercial Strawberry Breeding activities and associated income to Bayer AG. The transaction is due to complete in January 2024, subject to conditions precedent.

On 1 April 2023 all of the employees of East Malling Services Ltd., a subsidiary, were transferred to this company under TUPE regulations.

30. Capital commitments

There are no capital commitments to report.

31. Members' liability

The charitable company is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 March 2023 there were eleven members, comprising the Trustees.

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2023

32. Related party transactions

In the ordinary course of business the company entered into transactions with National Institute of Agricultural Botany Trust. The company has a close relationship with National Institute of Agricultural Botany Trust, which has an object to support NIAB.

During the course of the year NIAB is charged a facilities charge for the occupation of the land and buildings owned by the Trust, and the Trust receives a charge from NIAB relating to the Research Funding Agreement between the two parties. These transactions will be represented by both cash and non-cash, due to accruals made for activities at the end of the financial year.

These transactions are summarised below:

	2023	<i>2022</i>
	£000	<i>£000</i>
Closing (creditor)	(980)	<i>(148)</i>
Annual support	1,125	<i>1,125</i>
Support towards pension costs	650	<i>500</i>
Contribution towards other costs	50	<i>662</i>
Premises expenditure	(500)	<i>(500)</i>

In 2017 NIAB EMR, a subsidiary company, obtained a loan of £1,500,000 from National Institute of Agricultural Botany Trust. The loan was transferred to NIAB on 1 April 2021 when the business, assets and liabilities of NIAB EMR were merged into NIAB. This loan is secured by a first fixed and floating charge on the assets of NIAB EMR and, while there is no fixed repayment timetable, the loan is repayable in full by 8 February 2026. Interest is charged at 2% above the Bank of England base rate, which is considered to be a market value.

The charitable company has taken advantage of the exemptions contained within FRS102, section 33, not to disclose intra-group transactions on the basis that the subsidiaries are wholly owned and the accounts are publicly available.

33. Parent charity result

The parent charity result for the year before other recognised gains and losses and before charges or credits to the pension fund cost was a deficit of £2,363k (2023: surplus £9,815k).

NIAB

England & Wales - Charity number 1064230

Accounts

NIAB

Trustees' Report and Financial Statements

For the Year Ended 31 March 2022

NIAB

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NIAB

Reference and Administrative Details of the Charity, its Trustees and Advisers For the Year Ended 31 March 2022

Trustees	J E Godfrey OBE, Chairman Professor M J Caccamo, Chief Executive (appointed 1 October 2021) Dr T L Barsby, OBE, BSc, Chief Executive (resigned 18 November 2021) S J Ellwood, BSc Dr H Ferrier, BSc, MSc K E Fidgeon, FCA Dr N Kerby, MBE, BSc Dr C A Lang, BA R C Lowson Professor I J Puddephat, BSc, PhD J P Regan Professor A G Smith, BSc, MPhil, PhD Dr G H Smith (appointed 18 November 2021)
Company registered number	3395389
Charity registered number	1064230
Registered office	93 Lawrence Weaver Road Cambridge CB3 0LE
Company secretary	Dr J McKee
Chief executive officer	Dr T L Barsby OBE (resigned 30 September 2021) Prof M Caccamo (appointed 1 October 2021)
Independent auditors	Moore Kingston Smith LLP Statutory Auditors 9 Appold Street London EC2A 2AP
Bankers	Barclays Bank PLC 1 Churchill Place Canary Wharf London E14 5HP

NIAB

Reference and Administrative Details of the Charity, its Trustees and Advisers (continued)
For the Year Ended 31 March 2022

Solicitors

Birketts LLP
22 Station Road
Cambridge
CB1 2JD

Gowling WLG (UK) LLP
4 More, London Riverside
London
SE1 2AU

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT

**The Trustees note with great sadness the passing of our Patron,
Her Majesty Queen Elizabeth II, on the 8th September 2022.**

**Her Majesty took a keen interest in the work of NIAB, most recently spending time
with us to mark the occasion of our organisation's Centenary in 2019.**

STRATEGIC REPORT

Background

NIAB is an internationally recognised leader in applied crop research and innovation, providing an integrated innovation and knowledge transfer hub addressing the global challenges of food production, climate change and environmental protection.

The National Institute of Agricultural Botany was founded by Deed of Trust in 1919. It was regulated by a scheme made by the UK Government until 1998, when a new structure was agreed which saw the formation of two charities which would operate in tandem. NIAB was formed to conduct the charitable operations. The National Institute of Agricultural Botany Trust (Charity No. 1144528) (The Trust) provides land, facilities and financial support to NIAB, which The Trust determines is the preferred vehicle to deliver its charitable activities. NIAB controls two other charities: The Arable Group Limited and NIAB EMR.

Building on a longstanding international reputation for expertise in plant varieties and seeds, NIAB's scientific capabilities span the crop improvement pipeline; from underpinning research required to develop higher yielding more climate resilient crops and breeding new plant varieties, through to the extensive trials data, agronomy expertise and advice needed to ensure these advances are transferred effectively to the wider industry. From a position of independence NIAB supports the delivery of government policies relevant to food production, protection of the environment and mitigation of climate change.

Mission and Vision

Our mission is to provide independent, science-based research and information to support, develop and promote agriculture and horticulture; helping the industry to fulfil its potential in supplying food and renewable resources, while respecting the natural environment.

Our vision is to connect the science base and industry by providing an integrated research and knowledge transfer hub for the entire crop improvement pipeline, with a clear focus on improving the productivity, quality and resource use efficiency of crop production.

Strategy

A central objective of NIAB's research activity is to bridge the gap between the basic understanding of plant science and the ability to apply that knowledge in practice to deliver profitable and sustainable crops.

NIAB has the specialist knowledge, skills and facilities required to support improved crop production, to evaluate variety performance and quality in the field, to conduct agronomy research and to ensure the benefits of new knowledge and genetic potential are transferred on to farm and into the food industry which depends on productive agriculture and horticulture.

The integration of the latest advances in data science alongside expertise in crop (pre-)breeding, agronomy and farming systems is key to unlocking a step-change improvement in UK crop production. NIAB's intention is to be at the forefront of crop innovation and to lead a step change in crop productivity, whether through the increased application of bioinformatics in bringing new genetics to the marketplace, or through the combination of data science and agronomy to target on-farm production directly.

NIAB's research activities are increasingly part of global partnerships as the science relevant to UK agriculture finds equal application in other countries.

Public Benefit

The need for innovation in plant breeding and agronomy has never been greater. With climate change and a growing population, food security issues are a global concern. Crop science and technology have a vital role to play in boosting productivity, conserving resources and coping with climate change.

NIAB seeks to:

- advance science for public benefit, primarily through the support of crop research and development, publishing academic manuscripts and delivering practical solutions, working with a network of scientific partnerships and collaborations with leading academic, research and

commercial organisations in the UK, Europe and the rest of the world;

- demonstrate how plant resources and crop genetic improvement can help address the major global challenges of sustainable use of resources, climate change, food security and the provision of high-quality food to enhance health and nutrition;
- promote agriculture, horticulture and arboriculture anywhere in the world.

The Trustees are satisfied they have complied with their duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Based on this guidance, and as described in this Trustees' report, the Trustees believe the activities of NIAB to be charitable in nature.

Performance

Performance against the 2021/22 objectives is highlighted in the table below:

Objectives	Performance
Deliver the 5-year plan with a focus on financial stability. Financial stability will be achieved through a mix of increased efforts on income generation alongside cost cutting, including staff costs.	After the disruption of the covid-19 pandemic, better than expected royalty revenue from plant variety rights and one-off research support helped to deliver an operating surplus of £315k in the year. In addition, grant income for capital purchases of £9,952k resulted in a surplus, before adjustment for the defined benefit pension scheme, of £10,267k for the year.
Deliver new facilities at East Malling.	Construction of a new glasshouse, a reception building, and a wine innovation centre was delivered on time and on budget, bringing new facilities to the East Malling site for the first time in 35 years. These new facilities at East Malling will provide renewed scope for stakeholder engagement and positively impact the research at NIAB.
Establish NIAB España, to enable NIAB to develop a presence in the European fruit market centred around Huelva province in Spain	NIAB España registered. The strategy on engagement with key growers to establish NIAB in the region will be a key objective in 2022/23.
Restore external communications and events to pre-Covid levels as far as possible	NIAB continued to deliver events to members, with a return to a full program of activities and open events in the 2022 season.
Successful transition to a new CEO, Professor Caccamo, following Professor Barsby's retirement.	Professor Caccamo took over as CEO in October 2021 and has successfully transitioned into the role.
Embed the Crop Science Centre, the alliance with the University of Cambridge, recruit science leaders, and secure new sources of funds.	The Crop Science Centre is now established, with funding secured from several sources, including Bill and Melinda Gates Foundation. Three research leaders recruited in 2021/22.

Objectives for 2022/23

NIAB is addressing the following objectives for the year to 31 March 2023:

- Following the impact of the Covid 19 pandemic and Global events, such as the war in Ukraine, carry out a full review of the 5-year plan, which provides financial agility to deliver an on-going operational surplus.
- Agree and implement a new business model for Strawberry Breeding and the promotion of current varieties through the Malling Fruit Brand.
- Advance the field of Alternative Proteins through research, breeding and collaboration with industry leaders.
- Improve generation of commercial income, particularly Barn4, and broader engagement with the growing Agritech sector.
- Explore further simplification of the NIAB subsidiary structure.
- Establish a presence in the Iberian Peninsula and strengthen relationships with local growers
- Successful transition to a new Board Chair, following Mr Jim Godfrey's retirement.

FINANCIAL REVIEW

Income

The total incoming resources for the group were £41,843k (2021: £31,137k). A total of £13,564k related to Agricultural Services (2021: £10,050k) and £19,542k related to Laboratory and Research (2021: £12,559k), including £10,062k from capital grants. The income relating to commercial trading operations totalled £7,505k (2021: £7,829k). The group does not carry out fundraising activities.

Expenditure

The total outgoing expenditure was £31,566k (2021: £27,496k).

Capital Expenditure

The charity funded the capital purchases from both restricted grants and unrestricted income. The total group spend was £10,110k (2021: £3,913k).

FRS102 requires income from capital grants to be recognised when awarded and there are no conditions to be met that are outside of the control of NIAB, with depreciation charged when the asset concerned is brought into use. To distinguish operating activity from income and depreciation relating to capital grants, income and expenditure from operations is shown separately on the face of the SOFA.

Business Review and key performance indicators

NIAB continues to review the most appropriate Key Performance Indicators by which the development, performance or position of the various elements of its operations can be effectively measured.

The following Key Performance Indicators (KPIs) have been reviewed for the group: -

	2022	2021
Charitable and trading Income (excluding capital grants £10,062k – 2021: £2,440k)	£31,781k	£28,135k
Staff Costs (before pension past service cost adjustment)	£15,535k	£15,207k
Average Staff Numbers	366	361
Turnover per head (excluding capital grants)	£86.8k	£77.9k

The Charitable and trading Income is a measure of the charity's ability to secure sufficient income to maintain a sustainable research facility. The staff costs and average staff numbers are also an important measure.

Going Concern

The Trustees have acknowledged the guidance on going concern and financial reporting published by the Financial Reporting Council in 2016.

The Group's operating activities are diverse. Research and development in Crop Genetics, Computational Biology, Plant Breeding and Plant Characterisation are supported by long-term contracts and competitively won research grants which, historically, have been largely unaffected by changes in the general economy. Crop Agronomy, Membership, Training and Seed Certification activities are generally contracted on an annual basis and are supported by a diverse customer base. All of that income has been stable over a number of years. More recently the Group has been successful in being awarded large capital grants which are reflected in the increase in income in the current year results.

The Group balance sheet shows a deficit of £588k (2021: £12,474k). Taking out the Restricted and Endowment funds leaves an Unrestricted deficit of £13,972k (2021: £13,472k). Stripping out the pension scheme deficit of £17,405k (2021: £19,225k) (discussed in more detail below), the long-term debt to The Trust of £1,500k and Fixed Assets (Tangible plus Intangible) plus Trade investments in total within Unrestricted funds of £4,313k (2021: £8,338k) leaves an underlying unrestricted reserve of £620k (2021: negative £1,085k) as described in the Reserves policy in this report.

In the year, NIAB benefited from some one-off grants and higher than anticipated revenues from commercial crop sales. Given the nature of this income, and with the changes in the current economy, particularly higher inflation, NIAB has undertaken an exercise of reviewing income and direct expenditure, to identify areas of the organisation that are most sensitive to changes and under-performing financially. The results have been used as a basis from which to formulate a model for strategic planning over the next 5 years. A key component of the revised 5-year plan is to create surpluses through improved margins on services and products.

The Trust was established with similar charitable objects to NIAB and fulfils its charitable objects through the provision of support to NIAB. A key component of the review of going concern, given other uncertainties, is the support from The Trust.

At the time of writing this report, the forecast for 2022/23 is for an operational deficit. NIAB will therefore be dependent on the support of The Trust to remain a going-concern during 2022/23 and into 2023/24. Beyond this, NIAB expects to be in a sustained operational surplus position year-on-year.

A component of the financial risk to NIAB is the pension scheme. The NIAB (1996) Pension Scheme ('Scheme') was established in 1996 following NIAB's separation from Government and establishment as a not-for-profit entity. The Board have taken steps to manage the Scheme deficit, closing the Scheme to new members in 2001 and to future accrual in 2007.

The Trust is a participating employer in the Scheme with NIAB. This means that the entire deficit liability of the pension scheme is shared with The Trust, and the assets of The Trust support NIAB's balance sheet in providing the employer covenant and the payments agreed under the recovery plan. A new recovery plan, based on the triennial valuation at 31 March 2021 has been agreed with the Pension Scheme Trustees and submitted to The Pensions Regulator for approval.

The Trust has a balance sheet value of in excess of £55m. It has confirmed that it will continue to support NIAB and provide funding and lending sufficient to ensure NIAB remains a going concern. The funding includes ongoing funding for research and facilities and contributions to the pension scheme recovery payments. The lending is in the form of an 'overdraft' facility which can be used by NIAB to manage working capital fluctuations in year of up to £2m.

The Trustees have considered the following in arriving at their conclusions on going concern:

1. The cash flow forecast and latest management accounts, which give confidence that NIAB can continue to pay its debts as they fall due.
2. The Trust's continued support to NIAB through the provision of facilities and funding and borrowing support.
3. The Trust being a participating employer alongside NIAB in the Pension Scheme.

After making enquiries and considering the uncertainties described above, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Subsidiaries and related parties

NIAB has three wholly owned subsidiaries, NIAB Trading Ltd, East Malling Services Ltd. and TAG Consulting Limited, which gift aid their profit to NIAB. NIAB EMR and The Arable Group Limited are charitable companies limited by guarantee. In both cases NIAB, as the sole voting member, has the power to appoint the Trustee Board of NIAB EMR and The Arable Group Limited and they are therefore considered to be subsidiary undertakings during 2021/22 by virtue of control.

NIAB has an important relationship with the National Institute of Agricultural Botany Trust, which has an object to support NIAB in pursuit of its objects. This includes the provision of land and facilities.

Reserves Policy

The Trustees have reviewed the reserves of the group. The review encompassed the nature and reliability of the income and nature and level of commitment of expenditure streams. They have also considered the financial risks, the need to match variable income with fixed commitments, and the nature of the current reserves.

On a risk-based analysis the Trustees have concluded that their aim is to achieve a general reserve equivalent to between two and four and a half months' worth of unrestricted fund expenditure. At the current annual spend, the reserves target is therefore between £5m and £10m.

At 31 March 2022 group unrestricted reserves excluding fixed assets and pensions liability and the long-term loan from the NIAB Trust, were positive £620k (2021: negative £1,085k), the net improvement reflecting the surplus generated in the year. The Trustees are in the process of reviewing a 5-year plan, a key component of which will be to create surpluses through improved margins on services and products, thereby increasing the general reserves position. At the time of writing this report, the forecast for 2022/23 is for an operational deficit.

In the meantime, the Trustees continue to monitor closely the financial position of the group, including forecasts and cash flow projections, to ensure they can demonstrate the ongoing ability of the group to be able to pay its debts as they fall due.

Accounting Period

The Trustees present their report and the financial statements for the year ended 31 March 2022. The company's year-end (Accounting Reference Date) is 28 March, although the financial statements continue to be prepared to 31 March as permitted by section 390(3) of the Companies Act 2006.

RISK ASSESSMENT AND MANAGEMENT

The Board of Trustees is responsible for ensuring there are effective and adequate risk management and internal control systems in place to manage the major risks to which the Charity is exposed. The Board reviews the risk register at each meeting.

Principal Risks and Uncertainties

Risk Area	Risk	Management
Strategy / Process	Failure to deliver the business plan	The CEO and Executive team remain focused on the actions required to deliver the Business Strategy and Annual Business Plan, whilst ensuring the short-term focus on the Business Continuity plan.
Strategy / Process	Loss of data either electronic or paper	Review of NIABs disaster recovery plan required annually. The Executive have agreed the necessary organisational and investment programme.
Strategy / Process	Business disruption caused by instrument/system failure	Replacing the building & equipment monitoring and finance systems are a current priority.
Strategy / Process	Loss of Trials Land and farm relocation	The Trust providing interim funding for a New Farm Hub and Trials Land. Potential site identified and Landlord progressing planning permission.
Customer	Loss of higher margin revenue streams	Concerns over loss of higher margin revenue streams. NIAB is maintaining conversations with key emerging growers groups (e.g., Potatoes GB) to ensure retention of funding to support on-farm research following loss of AHDB levy funding.
Customer	Loss of key personnel leading to loss of confidence by customers and inability to deliver key services.	Performance related pay structure and quarterly Pay & Reward reviews are in place to reward key staff, Talent management program is being implemented,
Supplier	Commodity price increases	Increasing energy and commodity prices are impacting on business finances. Reviewing pricing structure for both commercial and research projects to absorb higher costs.
Financial	Pension Scheme deficit	2021 Triennial valuation agreed with the Pension Trustees. The Trust is now a participating employer in the scheme, improving the employers covenant and the ability to fund the required annual deficit contributions.

STRUCTURE, GOVERNANCE and MANAGEMENT

Members and Board of Trustees

The Board of Trustees comprises the Chair and up to eleven additional Trustee directors. The Trustees are also the members of the organisation.

The Board has established the following sub-committees:

- Finance (1)
- Nominations and Remuneration (2)

The following Trustees have served during the period:

J E Godfrey, OBE (retiring 17 November 2022)	1, 2	Chairman
Professor T L Barsby, OBE, BSc (retired 18 November 2021)		
Professor M J Caccamo (appointed 1 October 2021)		
S J Ellwood, BSc	1, 2	
Dr H Ferrier BSc, MSc		
K E Fidgeon, FCA	1	
Dr N Kerby, MBE, BSc	1	
Dr C A Lang, BA	2	
R C Lowson		
Professor I J Puddephat, BSc PhD		
J P Regan		
Dr G H Smith (appointed 18 November 2021)		
Professor A G Smith BSc, MPhil, PhD	2	

Recruitment, induction and training of Trustees

NIAB recruits Trustees with the relevant skillset to support the charity's activities. An induction programme has been put in place for newly appointed Trustees and is kept under review and updated where appropriate. In addition, Trustees are in regular contact with the Chief Executive and executive team and receive updates on key areas of activity.

Organisation and governance

The Trustees have used the UK Charity Governance Code to measure the performance of the board and its structure. The Trustees, through its Nominations and Remuneration Committee, regularly review the skills matrix of the board and make annual recommendations to the full board prior to the AGM in respect of membership and performance of the board. Improving governance is an ongoing work and the Trustees will continue to develop the group's governance structure.

NIAB is incorporated in England and Wales and is a company limited by guarantee (registered number 03395389) and a registered charity (number 1064230). It is governed by its Memorandum and Articles of Association which were last amended 6 May 2021.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and

Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Trustee Remuneration

NIAB provides an honorarium for the Chair of the Board, and the Chair of the Finance Committee. In addition to this, a per diem fee is payable to qualifying Trustees.

Decision making and key management

The Board of Directors (Trustees) administer the company and meet quarterly. A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the company. To facilitate effective operations the Chief Executive and Executive Team have delegated authority, within the terms of delegation approved by the board, for all operational matters.

The key management personnel are appointed by NIAB's Chief Executive; they have authority and responsibility for planning, directing and controlling the activities of the NIAB Group. The Nominations and Remuneration Committee consider the pay for key management personnel in the context of the overall company pay review, and the benchmarking of similar roles within BBSRC institutes and industry.

Employees

The average number of employees for the period was 366 (2021: 361). A policy of equal opportunity is pursued throughout, including the treatment of applications for employment from people who may be disabled, taking account only of the qualifications and abilities of each individual. Should any employee become disabled during the course of employment every effort would be made to retain that person's services and to provide necessary re-training.

NIAB and its Trustees engage with its employees through regular meetings and consultations with the representatives from the Prospect and Unite unions.

Continuing education and training are regarded as vital for the continuance of the charity's work, and assistance to this end is provided to a significant number of employees.

Liability Insurance

The Trustees have affected liability insurance as permitted by the company's Articles. This insurance does not provide cover in the event that a Trustee is proved to have acted fraudulently or dishonestly.

STATEMENT OF TRUSTEES RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Trustees (who are also directors of NIAB for the purposes of company law) are responsible for preparing the Trustees' Report, incorporating the Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom General Accepted Accounting Practise (United Kingdom accounting standards and applicable law), including FRS102, the financial reporting standard applicable in the UK and Republic of Ireland. Under company law the Trustees must not approve the financial statements unless that they are satisfied that they give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (FRS102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

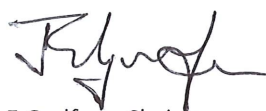
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

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

The Trustees approve the Trustees' Report, incorporating the Strategic Report, and financial statements which are signed on behalf of the Board of Trustees of NIAB.



J E Godfrey, Chairman
Date: 17 November 2022

Independent Auditors' Report to the of NIAB

Opinion

We have audited the financial statements of NIAB (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise Group Statement of Financial Activities (incorporating the Group Summary Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in 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 there is 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.

Independent Auditors' Report to the of NIAB (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual 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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors' Report to the of NIAB (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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.

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 charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable 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.

NIAB

Independent Auditors' Report to the of NIAB (continued)

- 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.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Andrew Stickland (Senior statutory auditor)

for and on behalf of

Moore Kingston Smith LLP

Statutory Auditors

9 Appold Street
London
EC2A 2AP

24 November 2022

NIAB

Consolidated Statement of Financial Activities (incorporating income and expenditure account) For the Year Ended 31 March 2022

	Unrestricted funds	Restricted funds	Endowment funds	Total operating funds	Restricted capital grant funds	Total funds	Total funds
Notes	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000	2021 £000
Income and endowments from:							
Donations to NIAB							
Funding towards pension deficit	-	500	-	500	-	500	500
Provision of facilities	600	-	-	600	-	600	-
Other donations	62	-	-	62	-	62	-
Charitable activities	15,841	7,217	-	23,058	10,062	33,120	22,746
Other trading activities	7,505	-	-	7,505	-	7,505	7,829
Investments	56	-	-	56	-	56	62
	24,064	7,717	-	31,781	10,062	41,843	31,137
Total income and endowments							
Expenditure on:							
Trading activities	10,339	-	-	10,339	-	10,339	8,176
Charitable activities	13,400	7,717	-	21,117	110	21,227	19,320
	23,739	7,717	-	31,456	110	31,566	27,496
Total expenditure							
Net income before net losses on investments	325	-	-	325	9,952	10,277	3,641
Net losses on investments	(10)	-	-	(10)	-	(10)	-
Net income (carried forward)	315	-	-	315	9,952	10,267	3,641

The notes on pages 28 to 62 form part of these financial statements.

NIAB

Consolidated Statement of Financial Activities (incorporating income and expenditure account) (continued) For the Year Ended 31 March 2022

	Unrestricted funds	Restricted funds	Endowment funds	Total operating funds	Restricted capital grant funds	Total funds	Total funds
Notes	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000	2021 £000
Net income (brought forward)	315	-	-	315	9,952	10,267	3,641
Transfers between funds	(2,434)	-	-	(2,434)	2,434	-	-
Net movement in funds before other recognised gains/(losses)	(2,119)	-	-	(2,119)	12,386	10,267	3,641
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	1,619	-	-	1,619	-	1,619	(5,349)
Net movement in funds	(500)	-	-	(500)	12,386	11,886	(1,708)
Reconciliation of funds							
Total funds brought forward	(13,472)	-	750	(12,722)	248	(12,474)	10,766
Total funds carried forward	(13,972)	-	750	(13,222)	12,634	(588)	(12,474)

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 62 form part of these financial statements.

NIAB
Registered number: 3395389

Consolidated Balance Sheet
As at 31 March 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Intangible assets	13		887		980
Tangible assets	14		15,915		7,465
Investments	15		145		141
			<u>16,947</u>		<u>8,586</u>
Current assets					
Stocks	17	330		298	
Debtors	18	10,574		8,065	
Cash at bank and in hand		2,005		3,655	
		<u>12,909</u>		<u>12,018</u>	
Creditors: amounts falling due within one year	19	(11,322)		(12,091)	
Net current assets/(liabilities)			<u>1,587</u>		<u>(73)</u>
Total assets less current liabilities			<u>18,534</u>		<u>8,513</u>
Creditors: amounts falling due after more than one year	20		(1,717)		(1,762)
Net assets excluding pension liability			<u>16,817</u>		<u>6,751</u>
Defined benefit pension scheme liability	27		(17,405)		(19,225)
Total net (liabilities)			<u><u>(588)</u></u>		<u><u>(12,474)</u></u>

Consolidated Balance Sheet (continued)
As at 31 March 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Charity funds					
Endowment funds	22		750		750
Restricted capital grant funds	22		12,634		248
Unrestricted funds					
General funds	22	3,433		5,753	
Pension reserve	22	(17,405)		(19,225)	
Total unrestricted funds	22		(13,972)		(13,472)
Total funds			(588)		(12,474)

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

The financial statements were approved and authorised for issue by the Trustees on 17 November 2022 and signed on their behalf by:

J E Godfrey OBE
Director



Professor M J Caccamo
Director



The notes on pages 23 to 63 form part of these financial statements.

NIAB
Registered number: 3395389

Charity Balance Sheet
As at 31 March 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	13	887	-
Tangible assets	14	15,842	4,556
Investments	15	145	141
		<u>16,874</u>	<u>4,697</u>
Current assets			
Stocks	17	255	213
Debtors	18	7,594	7,137
Cash at bank and in hand		1,419	1,674
		<u>9,268</u>	<u>9,024</u>
Creditors: amounts falling due within one year	19	(10,452)	(9,285)
Net current liabilities		<u>(1,184)</u>	<u>(261)</u>
Total assets less current liabilities		<u>15,690</u>	<u>4,436</u>
Creditors: amounts falling due after more than one year	20	(1,675)	(236)
Net assets excluding pension liability		<u>14,015</u>	<u>4,200</u>
Defined benefit pension scheme liability	27	(17,405)	(19,225)
Total net assets		<u><u>(3,390)</u></u>	<u><u>(15,025)</u></u>

Charity Balance Sheet (continued)
As at 31 March 2022

	Note	2022 £000	2021 £000
Charity funds			
Endowment funds	22	750	750
Restricted capital grant funds	22	10,861	248
Unrestricted funds			
General funds	22	2,404	3,202
Pension reserve		(17,405)	(19,225)
	22	_____	_____
Total unrestricted funds	22	(15,001)	(16,023)
Total funds		(3,390)	(15,025)

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 17 November 2022 and signed on their behalf by:



J E Godfrey OBE
Director



Professor M J Caccamo
Director

The notes on pages 23 to 63 form part of these financial statements.

NIAB

**Consolidated Statement of Cash Flows
For the Year Ended 31 March 2022**

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash used in operating activities	24	8,157	7,425
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		431	25
Purchase of intangible assets		-	(250)
Purchase of tangible fixed assets		(10,110)	(3,913)
Purchase of investments		(14)	-
Net cash used in investing activities		(9,693)	(4,138)
Cash flows from financing activities			
Cash inflows from new borrowing		-	221
Repayments of borrowing		(227)	(513)
New finance leases		146	-
Interest paid		(33)	(45)
Net cash used in financing activities		(114)	(337)
Change in cash and cash equivalents in the year		(1,650)	2,950
Cash and cash equivalents at the beginning of the year		3,655	705
Cash and cash equivalents at the end of the year	25	2,005	3,655

The notes on pages 23 to 63 form part of these financial statements

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

1. General information

NIAB is a company limited by guarantee incorporated in England and Wales and a registered charity. The registered office of the charity is 93 Lawrence Weaver Road, Cambridge, CB3 0LE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

NIAB meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Fund accounting

General unrestricted funds represent income which is expendable at the discretion of the Board in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose.

Endowment funds relate to gifts to NIAB, the terms of which stipulate that the capital may not be spent, and the income is to be utilised towards a specific restriction imposed by the donor.

Investment income, gains and losses are allocated to the appropriate fund.

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

2. Accounting policies (continued)

2.3 Incoming resources

Income has been analysed in accordance with the service provided.

Income from charitable activities:

Incoming resources from charitable activities are accounted for in the year in which the service is provided.

Trading activities:

Commercial trading operations represent the income from the charitable company's trading subsidiaries – TAG Consulting Limited, NIAB Trading Ltd and East Malling Services Limited – which is included in incoming resources when the group becomes entitled to receipt.

Investment income:

Interest is included when receivable by the group.

Income Tax recoverable:

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

Capital grant income:

Some grant income is received for the restricted purpose of acquiring fixed assets. Income is accounted for in the year in which the grant is awarded.

2.4 Coronavirus Job Retention Scheme

Government grants are recognised on the performance model, when the charity has complied with any conditions attaching to the grant and the grant will be received. The grant in connection with the Coronavirus Job Retention Scheme has been recognised in the period to which the underlying furloughed staff costs relate. Included in income is an amount of £46k (2021:£522k) in respect of the Coronavirus Job Retention Scheme.

2.5 Accrued and deferred income

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as earned when the related services are provided which may mean accruing for invoices not yet raised or deferring payments received in advance of work done.

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

2. Accounting policies (continued)

2.6 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the group to the expenditure. Expenditure is allocated as follows:

Charitable Activities:

Expenditure incurred directly in the fulfilment of the objects of the charity including allocated overheads.

Support costs:

Support costs which include central office functions such as general management, finance, information technology, human resources and governance costs are allocated across categories of expenditure. The basis of the cost allocation has been explained in note 8 to the accounts.

All expenditure is inclusive of irrecoverable VAT.

2.7 Intangible assets and amortisation

IT platform

IT platforms are recognised at cost, which is then amortised evenly over a three year period once the platform has been released for use.

Purchased goodwill

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and amortised evenly over a period of between 5 and 10 years as, in the opinion of the Trustees, this represents the period over which the goodwill is expected to give rise to economic benefit. Goodwill is reviewed for impairment at the end of the first financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Plant variety rights

Plant variety rights are recognised at their fair value at acquisition and are amortised evenly in the period over which the rights expire as, in the opinion of the Trustees, this represents the period over which the rights are expected to give rise to economic benefit. Plant variety rights are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

2.8 Tangible fixed assets and depreciation

All tangible fixed assets are stated at historical cost.

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is provided on cost over the estimated lives of the assets which are considered to be: .

Leasehold improvements	- over the term of the lease
Apparatus and equipment	- 3 -10 years straight line
Agricultural and motor vehicles	- 3 -10 years straight line
Apparatus and equipment **	- 33% reducing balance
Computer equipment **	- 25% reducing balance
Vehicles **	- 10% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Assets in the course of construction are stated at cost and are not depreciated until brought into use.

** assets transferred from The Arable Group.

2.9 Financial instruments

The group only enters into financial assets and financial liabilities which qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 Stocks

The financial statements include stocks of chemicals, fertilisers and sprays held by the group, together with a valuation of growing crops for resale. These stocks are stated at the lower of cost and net realisable value. Cost is calculated as follows:

- Agrochemicals, Fertilisers & Sprays are calculated at value invoiced based on a first in first out basis.
- Cultivations & Growing Crops are valued at the cost of the inputs and operations carried out.
- Purchased seed is calculated at suppliers invoice value based on a first in first out basis.
- Farm saved seed is valued at the cost of inputs and operations carried out.

Net realisable value is based on estimated selling price less further costs expected to be incurred for completion and disposal. Provision is made for slow moving items.

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

2. Accounting policies (continued)

2.11 Finance leases and hire purchase

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term.

The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the Statement of Financial Activities in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to Statement of Financial Activities on a straight line basis over the lease term.

2.12 Termination and redundancy payments

Termination and redundancy payments are recognised as a liability and an expense only when the event is demonstrably committed to by either:

- a) termination of the employment of an employee or group of employees before the normal retirement date; or
- b) provision of termination benefits as a result of an offer made in order to encourage voluntary redundancy.

2.13 Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

The Charity's functional and presentational currency is GBP.

2.14 Research and development

All research and development costs are written off as incurred.

2.15 Investments

Investments in subsidiaries are stated at cost. To the extent that the carrying value exceeds the recoverable amount, an impairment loss is recognised.

2.16 Programme related investments

NIAB holds programme related investments in five commercial companies which it is working with to further its charitable objects. These are carried at fair value when this can be measured reliably or, if it can't, at cost less impairment.

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

2. Accounting policies (continued)

2.17 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

2.18 Creditors

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

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition or the balance sheet date and that are readily convertible to known amounts of cash with insignificant risk of change of value.

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

2. Accounting policies (continued)

2.20 Pensions

NIAB Defined Benefit Pension Scheme

For the defined benefit retirement plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains and losses arising are recognised immediately in the Statement of Financial Activities.

Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits have already vested, the cost is recognised immediately in the Statement of Financial Activities.

The amount recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the lower of the asset and any unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

Universities Superannuation Scheme

The Arable Group Limited participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The liabilities are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustee on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme.

The assets of the scheme are held in a separate trustee-administered fund. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

Under FRS102, the company has accounted for the present value of the contributions payable as identified in the most recent funding agreement.

NIAB, NIAB EMR, East Malling Services Limited and The Arable Group Limited also operate group money purchase schemes. For these, the pension costs charged in the financial statements represent the contributions payable by the companies during the year.

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

2. Accounting policies (continued)

2.21 Going concern

The Trustees have acknowledged the guidance on going concern and financial reporting published by the Financial Reporting Council in 2016.

The Group's operating activities are diverse. Research and development in Crop Genetics, Computational Biology, Plant Breeding and Plant Characterisation are supported by long-term contracts and competitively won research grants which, historically, have been largely unaffected by changes in the general economy. Crop Agronomy, Membership, Training and Seed Certification activities are generally contracted on an annual basis and are supported by a diverse customer base. All of that income has been stable over a number of years. More recently the Group has been successful in being awarded large capital grants which are reflected in the increase in income in the current year results.

The Group balance sheet shows a deficit of £588k (2021: £12,474k). Taking out the Restricted and Endowment funds leaves an Unrestricted deficit of £13,972k (2021: £13,472k). Stripping out the pension scheme deficit of £17,405k (2021: £19,225k) (discussed in more detail below), the long-term debt to The Trust of £1,500k and Fixed Assets (Tangible plus Intangible) plus Trade investments in total within Unrestricted funds of £4,313k (2021: £8,338k) leaves an underlying unrestricted reserve of £620k (2021: negative £1,085k) as described in the Reserves policy in this report.

In the year, NIAB benefited from some one-off grants and higher than anticipated revenues from commercial crop sales. Given the nature of this income, and with the changes in the current economy, particularly higher inflation, NIAB has undertaken an exercise of reviewing income and direct expenditure to identify areas of the organisation that are most sensitive to changes and under-performing financially. The results have been used as a basis from which to formulate a model for strategic planning over the next 5 years. A key component of the revised 5 year plan is to create surpluses through improved margins on services and products.

The National Institute of Agricultural Botany Trust ('The Trust' - Charity No. 1144528) was established with similar charitable objects to NIAB and fulfils its charitable objects through the provision of support to NIAB. A key component of the review of going concern, given other uncertainties, is the support from The Trust.

At the time of writing this report, the forecast for 2022/23 is for an operational deficit. NIAB will therefore be dependent on the support of The Trust to remain a going concern during 2022/23 and into 2023/24. Beyond this, NIAB expects to be in a sustained operational surplus position year-on-year.

A component of the financial risk to NIAB is the pension scheme. The NIAB (1996) Pension Scheme ('Scheme') was established in 1996 following NIAB's separation from Government and establishment as a not-for-profit entity. The Board have taken steps to manage the Scheme deficit, closing the Scheme to new members in 2001 and to future accrual in 2007.

The Trust is a participating employer in the Scheme with NIAB. This means that the entire deficit liability of the pension scheme is shared with The Trust, and the assets of The Trust support NIAB's balance sheet in providing the employer covenant and the payments agreed under the recovery plan. A new recovery plan, based on the triennial valuation at 31 March 2021 has been agreed with the Pension Scheme Trustees and submitted to The Pensions Regulator for approval.

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

2. Accounting policies (continued)

2.21 Going concern (continued)

The Trust has a balance sheet value of in excess of £55m. It has confirmed that it will continue to support NIAB and provide funding and lending sufficient to ensure NIAB remains a going concern. The funding includes ongoing funding for research and facilities and contributions to the pension scheme recovery payments. The lending is in the form of an 'overdraft' facility which can be used by NIAB to manage working capital fluctuations in year of up to £2m.

The Trustees have considered the following in arriving at their conclusions on going concern:

1. The cash flow forecast and latest management accounts, which give confidence that NIAB can continue to pay its debts as they fall due.
2. The Trust's continued support to NIAB through the provision of facilities and funding and borrowing support.
3. The Trust being a participating employer alongside NIAB in the Pension Scheme.

After making enquiries and considering the uncertainties described above, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements

2.22 Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Depreciation, which has been charged in line with the accounting policy above. The amount of depreciation charged and net book value of the assets is included in Note 14
- Intangible assets, which were recognised at the fair value of acquisition, and have been amortised. The net book value of the assets is included in Note 13
- Income, which has been recognised in accordance with the work completed on grants and contracts
- Pension Liabilities: The Trustees have reviewed current rates and expected future returns to set the assumptions used for the valuation of the NIAB (1996) Pension Scheme deficit in consultation with the company actuary. Full details are provided in Note 27
- Retirement benefits, the liability for which has been calculated in line with the accounting policy above. Note 27 contains details of the estimates made in this calculation.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

3. Income from donations

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000
Donations from National Institute of Agricultural Botany Trust	662	500	1,162
	<hr/>	<hr/>	<hr/>
		<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Donations from National Institute of Agricultural Botany Trust		500	500
		<hr/>	<hr/>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

4. Income from charitable activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000
Agricultural services	11,014	2,550	13,564
Laboratory and research	4,813	14,729	19,542
Other activities	14	-	14
Total 2022 (including Government grants of £8.5m)	15,841	17,279	33,120
	<i>Unrestricted funds 2021 £000</i>	<i>Restricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Agricultural services	7,704	2,346	10,050
Laboratory and research	6,900	5,659	12,559
Other activities	137	-	137
<i>Total 2021 (including Government grants of £7.1m)</i>	<i>14,741</i>	<i>8,005</i>	<i>22,746</i>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

5. Income from subsidiary trading activities

	Unrestricted funds 2022 £000	Total funds 2022 £000
Agricultural services	6,232	6,232
Agronomy consultancy	1,273	1,273
	<hr/> 7,505 <hr/>	<hr/> 7,505 <hr/>

	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Agricultural services	6,498	6,498
Agronomy consultancy	1,331	1,331
	<hr/> <i>7,829</i> <hr/>	<hr/> <i>7,829</i> <hr/>

6. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000
Rental income	56	56
	<hr/> 56 <hr/>	<hr/> 56 <hr/>

	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Rental income	62	62
	<hr/> <i>62</i> <hr/>	<hr/> <i>62</i> <hr/>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000
Agricultural services	10,175	7,587	17,762
Laboratory and research	3,225	240	3,465
	<hr/> 13,400 <hr/>	<hr/> 7,827 <hr/>	<hr/> 21,227 <hr/>

	<i>Unrestricted funds 2021 £000</i>	<i>Restricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Agricultural services	7,616	5,787	13,403
Laboratory and research	5,637	280	5,917
	<hr/> 13,253 <hr/>	<hr/> 6,067 <hr/>	<hr/> 19,320 <hr/>

The Trustees consider that all expenditure is classified as Research and Development expenditure.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000
Agricultural services	14,350	3,412	17,762
Laboratory and research	613	2,852	3,465
	<u>14,963</u>	<u>6,264</u>	<u>21,227</u>

	<i>Activities undertaken directly 2021 £000</i>	<i>Support costs 2021 £000</i>	<i>Total funds 2021 £000</i>
Agricultural services	8,598	4,805	13,403
Laboratory and research	4,558	1,359	5,917
	<u>13,156</u>	<u>6,164</u>	<u>19,320</u>

Analysis of support costs

	Agricultural services 2022 £000	Laboratory and research 2022 £000	Total funds 2022 £000
Management	1,629	1,376	3,005
Finance	593	497	1,090
Information Technology	780	649	1,429
Human resources	322	270	592
Governance	88	60	148
	<u>3,412</u>	<u>2,852</u>	<u>6,264</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Agricultural services</i>	<i>Laboratory and research</i>	<i>Total funds</i>
	<i>2021</i>	<i>2021</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Management	942	515	1,457
Finance	2,422	473	2,895
Information Technology	969	170	1,139
Human resources	341	86	427
Governance	131	115	246
	<u>4,805</u>	<u>1,359</u>	<u>6,164</u>

Support costs have been allocated to activity cost categories on a basis consistent with the use of resources.

9. Auditors' remuneration

	2022	<i>2021</i>
	£000	<i>£000</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	30	<i>27</i>
Fees payable to the Charity's auditor in respect of:		
The auditing of accounts of subsidiaries of the Charity	21	<i>23</i>
Additional fees in respect of audit previous year	-	<i>38</i>
Taxation compliance services	8	<i>9</i>
	<u>8</u>	<u><i>9</i></u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

10. Staff costs

	Group 2022 £000	<i>Group 2021 £000</i>	Charity 2022 £000	<i>Charity 2021 £000</i>
Wages and salaries	13,220	<i>12,913</i>	11,622	<i>9,284</i>
Social security costs	1,197	<i>1,114</i>	1,055	<i>816</i>
Contribution to defined contribution pension schemes	965	<i>913</i>	855	<i>649</i>
Operating costs of defined benefit pension schemes	153	<i>302</i>	129	<i>295</i>
	15,535	<i>15,242</i>	13,661	<i>11,044</i>

During the year a total of £35,289 (2021: £27,500) was paid to 2 employees (2021: 1 employee) as ex gratia payments. In addition £2,420 in total (2021: £61,582) was paid to 2 employees (2021: 7 employees) by way of redundancy payments.

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

	Group 2022 No.	<i>Group 2021 No.</i>
Technical and Scientific	219	<i>210</i>
Support staff	54	<i>59</i>
Agricultural staff and casuals	93	<i>92</i>
	366	<i>361</i>

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

10. Staff costs (continued)

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

	Group 2022 No.	<i>Group 2021 No.</i>
In the band £60,001 - £70,000	10	9
In the band £70,001 - £80,000	3	5
In the band £80,001 - £90,000	3	1
In the band £90,001 - £100,000	3	-
In the band £100,001 - £110,000	-	2
In the band £110,001 - £120,000	2	-
In the band £120,001 - £130,000	1	3
In the band £140,001 - £150,000	-	1
In the band £150,001 - £160,000	1	-

The key management personnel during the year were:

Professor M Caccamo - CEO (from 1 October 2021)

Dr T L Barsby - CEO (until 30 September 2021)

S M Knight

Dr W Orme - CFO (from 1 August 2021)

M Leaman

W Clark (retired 31 July 2021)

N Watson

Dr J McKee

R Harrison

X Xu

The total costs relating to key management personnel (including wages and salaries, employer's national insurance, pension costs and fees) during the year were £1,010k (2021: £898k).

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2022

11. Trustees' remuneration and expenses

The Chairman of the Board of Trustees and the Chairman of the Board's Finance Committee received honoraria, totalling £9,600 (2021: £9,600 ; Deputy Chairman - £2,700). Meeting fees totalling £5,000 were paid to six trustees (2021: £8,400 for eight trustees). Charity Commission approval has been obtained prior to these payments.

As provided for in the charity's Articles of Association, the Chief Executive of the charity is also a member of the board (from November 2017). The payments to the Chief Executive (as an employee) for the part of the year they were both employee and Chief Executive is as follows:

		2022	<i>2021</i>
		£000	<i>£000</i>
Dr T L Barsby OBE	Remuneration	99	<i>129</i>
	Pension contributions paid	6	<i>10</i>
	Other benefits	7	<i>13</i>
Professor M J Caccamo	Remuneration	77	<i>-</i>
	Pension contributions paid	6	<i>-</i>

During the year ended 31 March 2022, expenses totalling £2,119 were reimbursed or paid directly to 3 Trustees (2021 - £351 to 1 Trustee).

Other than the above there are no other related party transactions to be reported in respect of the trustees.

12. Taxation

NIAB is a registered charity and is exempt from tax on income and capital gains falling within section 505 of the Income and Corporation Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. No tax charges have arisen in the Charitable Company. Any charges arising in the subsidiary companies are disclosed in Note 17.

There is no provision for deferred tax on fair value adjustments because any chargeable gains are applied to charitable objectives so no tax liability arises.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

13. Intangible assets

Group

	Plant Variety Rights £000	IT Platfrom £000	Purchased Goodwill £000	Total £000
Cost				
At 1 April 2021	1,350	93	418	1,861
Disposals	-	-	(100)	(100)
At 31 March 2022	<u>1,350</u>	<u>93</u>	<u>318</u>	<u>1,761</u>
Amortisation				
At 1 April 2021	370	93	418	881
Charge for the year	93	-	-	93
On assets disposed of	-	-	(100)	(100)
At 31 March 2022	<u>463</u>	<u>93</u>	<u>318</u>	<u>874</u>
Net book value				
At 31 March 2022	<u>887</u>	-	-	<u>887</u>
At 31 March 2021	<u>980</u>	-	-	<u>980</u>

Goodwill of £100k in NIAB EMR but fully amortised has now been written off subsequent to the transfer of most of the business, assets and liabilities to NIAB on 1 April 2021.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

13. Intangible assets (continued)

Charity

	Plant Variety Rights £000	IT Platform £000	Total £000
Cost			
At 1 April 2021	-	93	93
Transfer from NIAB EMR	1,350	-	1,350
At 31 March 2022	<u>1,350</u>	<u>93</u>	<u>1,443</u>
Amortisation			
At 1 April 2021	-	93	93
Charge for the year	93	-	93
Transfer from NIAB EMR	370	-	370
At 31 March 2022	<u>463</u>	<u>93</u>	<u>556</u>
Net book value			
At 31 March 2022	<u>887</u>	<u>-</u>	<u>887</u>
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>

Plant Variety Rights and associated amortisation were acquired by NIAB when the business, assets and liabilities of NIAB EMR were merged into NIAB on 1 April 2021.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

14. Tangible fixed assets

Group

	Short-term leasehold property £000	Plant, machinery & vehicles £000	Office & Computer equipment £000	Scientific equipment £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 April 2021	606	8,933	3,003	3,580	2,687	18,809
Additions	893	560	157	430	8,070	10,110
Disposals	-	(381)	(69)	(43)	-	(493)
At 31 March 2022	<u>1,499</u>	<u>9,112</u>	<u>3,091</u>	<u>3,967</u>	<u>10,757</u>	<u>28,426</u>
Depreciation						
At 1 April 2021	350	6,170	2,354	2,470	-	11,344
Charge for the year	154	357	385	339	-	1,235
On disposals	-	-	(68)	-	-	(68)
At 31 March 2022	<u>504</u>	<u>6,527</u>	<u>2,671</u>	<u>2,809</u>	<u>-</u>	<u>12,511</u>
Net book value						
At 31 March 2022	<u><u>995</u></u>	<u><u>2,585</u></u>	<u><u>420</u></u>	<u><u>1,158</u></u>	<u><u>10,757</u></u>	<u><u>15,915</u></u>
At 31 March 2021	<u><u>256</u></u>	<u><u>2,763</u></u>	<u><u>649</u></u>	<u><u>1,110</u></u>	<u><u>2,687</u></u>	<u><u>7,465</u></u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

14. Tangible fixed assets (continued)

Charity

	Short-term leasehold property £000	Plant, machinery & vehicles £000	Office & Computer equipment £000	Scientific equipment £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 April 2021	606	8,023	2,767	2,789	678	14,863
Additions	893	557	157	430	8,070	10,107
Transfer from NIAB						
EMR	-	769	167	791	2,009	3,736
Disposals	-	(381)	-	(43)	-	(424)
At 31 March 2022	<u>1,499</u>	<u>8,968</u>	<u>3,091</u>	<u>3,967</u>	<u>10,757</u>	<u>28,282</u>
Depreciation						
At 1 April 2021	350	5,885	2,153	1,919	-	10,307
Charge for the year	154	347	382	339	-	1,222
Transfer from NIAB						
EMR	-	224	136	551	-	911
At 31 March 2022	<u>504</u>	<u>6,456</u>	<u>2,671</u>	<u>2,809</u>	<u>-</u>	<u>12,440</u>
Net book value						
At 31 March 2022	<u><u>995</u></u>	<u><u>2,512</u></u>	<u><u>420</u></u>	<u><u>1,158</u></u>	<u><u>10,757</u></u>	<u><u>15,842</u></u>
At 31 March 2021	<u><u>256</u></u>	<u><u>2,138</u></u>	<u><u>614</u></u>	<u><u>870</u></u>	<u><u>678</u></u>	<u><u>4,556</u></u>

Fixed assets and associated depreciation were acquired by NIAB when the business, assets and liabilities of NIAB EMR were merged into NIAB on 1 April 2021.

The net book value of the group's and charity's assets includes £302,748 (2021: £441,021) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged in the year on those assets totalled £79,780 (2021: £142,905).

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**Notes to the Financial Statements
For the Year Ended 31 March 2022**

15. Fixed asset investments

Group and Charity	Trade investments £000
Cost or valuation	
At 1 April 2021	141
Additions	14
Amounts written off	(10)
At 31 March 2022	<u>145</u>
Net book value	
At 31 March 2022	<u>145</u>
<i>At 31 March 2021</i>	<u>141</u>

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2022

16. Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Charity registration number	Principal activity	Class of shares
The Arable Group Limited	00192460	212059	Agriculture	
TAG Consulting Limited	05110993		Agriculture	Ordinary
NIAB Trading Ltd	07390289		Agriculture	Ordinary
NIAB EMR	09894859	1165055	Horticulture	
East Malling Services Ltd.	02335037		Horticulture	Ordinary

The financial results of the subsidiaries for the year were:

Names	Income £000	Expenditure £000	Profit/ Surplus for the year £000	Net assets/ (liabilities) £000
The Arable Group Limited	320	458	(138)	(25)
TAG Consulting Limited	1,284	1,364	(80)	(127)
NIAB Trading Ltd	4,968	4,517	451	462
NIAB EMR	666	689	(23)	1,623
East Malling Services Ltd.	5,542	5,104	438	907

The Arable Group Limited and NIAB EMR are charitable companies limited by guarantee, considered to be subsidiary undertakings by virtue of control, as NIAB is the sole voting member with the power to appoint the board. TAG Consulting Limited and NIAB Trading Ltd are wholly owned by NIAB. East Malling Services Ltd. was wholly owned by NIAB EMR until 31 March 2021 when ownership was transferred to NIAB following the merger of NIAB EMR's business into NIAB.

All of the subsidiaries carry out activities in furtherance of NIAB's charitable objectives.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

17. Stocks

	Group 2022 £000	<i>Group 2021 £000</i>	Charity 2022 £000	<i>Charity 2021 £000</i>
Raw materials and consumables	150	98	150	98
Finished goods and goods for resale	180	200	105	115
	<u>330</u>	<u>298</u>	<u>255</u>	<u>213</u>

18. Debtors

	Group 2022 £000	<i>Group 2021 £000</i>	Charity 2022 £000	<i>Charity 2021 £000</i>
Due within one year				
Trade debtors	3,990	4,040	2,277	2,367
Amounts owed by group undertakings	-	-	1,721	2,779
Other debtors	461	126	458	125
Prepayments	860	572	838	441
Accrued income	5,263	3,327	2,300	1,425
	<u>10,574</u>	<u>8,065</u>	<u>7,594</u>	<u>7,137</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

19. Creditors: Amounts falling due within one year

	Group 2022 £000	<i>Group 2021 £000</i>	Charity 2022 £000	<i>Charity 2021 £000</i>
National Institute of Agricultural Botany Trust	148	1	148	1
Trade creditors	2,085	2,103	2,000	1,803
Amounts owed to group undertakings	-	-	2,570	687
Other taxation and social security	374	813	283	741
Obligations under finance lease and hire purchase contracts	195	214	195	214
Other creditors	1,431	2,634	918	1,282
Accruals and deferred income	7,089	6,326	4,338	4,557
	<u>11,322</u>	<u>12,091</u>	<u>10,452</u>	<u>9,285</u>
	Group 2022 £000	<i>Group 2021 £000</i>	Charity 2022 £000	<i>Charity 2021 £000</i>
Deferred income at 1 April 2021	4,225	3,824	3,347	2,916
Resources deferred during the year	3,582	4,225	2,902	3,347
Amounts released from previous periods	(4,225)	(3,824)	(3,347)	(2,916)
	<u>3,582</u>	<u>4,225</u>	<u>2,902</u>	<u>3,347</u>

Deferred income for the group relates to annual membership subscriptions paid in advance, key renewal dates being 30 September and 31 December, together with pre-financing payments for EU contracts and payments received in advance for contracted services.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

20. Creditors: Amounts falling due after more than one year

	Group 2022 £000	<i>Group 2021 £000</i>	Charity 2022 £000	<i>Charity 2021 £000</i>
Other loans	1,500	1,500	1,500	-
Net obligations under finance lease and hire purchase contracts	151	213	151	213
Other creditors	66	49	24	23
	<u>1,717</u>	<u>1,762</u>	<u>1,675</u>	<u>236</u>

	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Obligations under finance leases and hire purchase contracts				
Within one year	195	214	195	214
Within two to five years	151	213	151	213
	<u>346</u>	<u>427</u>	<u>346</u>	<u>427</u>

The obligations under finance leases and hire purchase contracts are secured by a charge over the assets financed.

The loan of £1,500,000 is from the National Institute of Agricultural Botany Trust, a related party. Further details of this loan are disclosed in note 31.

21. Financial instruments

	Group 2022 £000	<i>Group 2021 £000</i>	Charity 2022 £000	<i>Charity 2021 £000</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	2,005	3,655	1,419	1,674
	<u>2,005</u>	<u>3,655</u>	<u>1,419</u>	<u>1,674</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by NIAB Trust and other debtors.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
Unrestricted funds						
General funds	5,753	24,064	(23,739)	(2,434)	(10)	3,634
Pension fund	(19,225)	-	-	-	1,619	(17,606)
	<u>(13,472)</u>	<u>24,064</u>	<u>(23,739)</u>	<u>(2,434)</u>	<u>1,609</u>	<u>(13,972)</u>
Endowment funds						
John Oldacre Foundation	<u>750</u>	-	-	-	-	<u>750</u>
Restricted operating funds						
Other revenue grants	-	500	(500)	-	-	-
Restricted grant income	-	7,217	(7,217)	-	-	-
	<u>-</u>	<u>7,717</u>	<u>(7,717)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted property funds						
Restricted Capital Grant Funds	<u>248</u>	<u>10,062</u>	<u>(110)</u>	<u>2,434</u>	<u>-</u>	<u>12,634</u>
Total Restricted funds	<u>248</u>	<u>17,779</u>	<u>(7,827)</u>	<u>2,434</u>	<u>-</u>	<u>12,634</u>
Total of funds	<u><u>(12,474)</u></u>	<u><u>41,843</u></u>	<u><u>(31,566)</u></u>	<u><u>-</u></u>	<u><u>1,609</u></u>	<u><u>(588)</u></u>

The transfer relates to Capital grant monies received in the previous year and treated as unrestricted. These have now been reallocated and disclosed as Restricted Capital Grant Funds.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

22. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/(out) £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 March 2021 £000</i>
Unrestricted funds						
General funds	2,163	23,132	(21,540)	1,998	-	5,753
Pension fund	(13,987)	-	111	-	(5,349)	(19,225)
	<u>(11,824)</u>	<u>23,132</u>	<u>(21,429)</u>	<u>1,998</u>	<u>(5,349)</u>	<u>(13,472)</u>
Endowment funds						
John Oldacre Foundation	750	-	-	-	-	750
Restricted operating funds						
Restricted grant income	-	6,007	(6,007)	-	-	-
Other Funds	-	1,998	-	(1,998)	-	-
	<u>-</u>	<u>8,005</u>	<u>(6,007)</u>	<u>(1,998)</u>	<u>-</u>	<u>-</u>
Restricted property funds						
Hasse Fen capital fund	308	-	(60)	-	-	248
Total Restricted funds	<u>308</u>	<u>8,005</u>	<u>(6,067)</u>	<u>(1,998)</u>	<u>-</u>	<u>248</u>
Total of funds	<u><u>(10,766)</u></u>	<u><u>31,137</u></u>	<u><u>(27,496)</u></u>	<u><u>-</u></u>	<u><u>(5,349)</u></u>	<u><u>(12,474)</u></u>

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2022

The John Oldacre Foundation fund is an amount held as capital where only income can be spent. The expenditure is restricted to funding post-graduate studentships of young innovators.

The Hasse Fen capital fund was a grant received to build at NIAB's Hasse Fen site. The expenditure represents annual depreciation of the asset.

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Restricted capital grant funds 2022 £000	Endowment funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	3,281	12,634	-	15,915
Intangible fixed assets	887	-	-	887
Trade investments	145	-	-	145
Current assets	12,159	-	750	12,909
Creditors due within one year	(11,322)	-	-	(11,322)
Creditors due in more than one year	(1,717)	-	-	(1,717)
Defined benefit pension scheme liability	(17,405)	-	-	(17,405)
Total	(13,972)	12,634	750	(588)

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £000</i>	<i>Restricted funds 2021 £000</i>	<i>Restricted capital grant funds 2021 £000</i>	<i>Endowment funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Tangible fixed assets	7,217	248	-	-	7,465
Intangible fixed assets	980	-	-	-	980
Trade investments	141	-	-	-	141
Current assets	11,268	-	-	750	12,018
Creditors due within one year	(12,091)	-	-	-	(12,091)
Creditors due in more than one year	(1,762)	-	-	-	(1,762)
Defined benefit pension scheme liability	(19,225)	-	-	-	(19,225)
Total	<u><u>(13,472)</u></u>	<u><u>248</u></u>	<u><u>-</u></u>	<u><u>750</u></u>	<u><u>(12,474)</u></u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £000	<i>Group 2021 £000</i>
Net income for the year (as per Statement of Financial Activities)	10,267	<i>3,641</i>
Adjustments for:		
Depreciation charges	1,235	<i>1,434</i>
Amortisation charges	93	<i>88</i>
Investments written off	10	<i>-</i>
Profit on the sale of fixed assets	(6)	<i>(18)</i>
Decrease/(increase) in stocks	(32)	<i>10</i>
Increase in debtors	(2,509)	<i>(811)</i>
Increase/(decrease) in creditors	(733)	<i>3,147</i>
Interest payable	33	<i>45</i>
Pension scheme charges	(201)	<i>(111)</i>
Net cash provided by operating activities	8,157	<i>7,425</i>

25. Analysis of cash and cash equivalents

	Group 2022 £000	<i>Group 2021 £000</i>
Cash in hand	2,005	<i>3,655</i>
Total cash and cash equivalents	2,005	<i>3,655</i>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

26. Analysis of changes in net debt

	At 1 April 2021 £000	Cash flows £000	New finance leases £000	At 31 March 2022 £000
Cash at bank and in hand	3,655	(1,650)	-	2,005
Debt due within 1 year	(1)	(147)	-	(148)
Debt due after 1 year	(1,500)	-	-	(1,500)
Finance leases	(427)	227	(146)	(346)
	<u>1,727</u>	<u>(1,570)</u>	<u>(146)</u>	<u>11</u>

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2022

27. Pension commitments: Defined Benefit schemes

(A) NIAB Defined Benefit Pension Scheme

NIAB operates a defined benefit pension scheme which was established on 1 April 1996. The assets of this scheme are held in a separate fund controlled by trustees. The scheme was closed to future benefit accrual on 31 July 2007.

The most recent actuarial valuation of the Scheme was carried out as at 31 March 2018. The valuation has been updated to 31 March 2022 by a qualified independent actuary.

NIAB expects to contribute £1,000,000 to its defined benefit pension scheme in 2022/23 (2021/22: £700,000).

The amounts recognised in the balance sheet are as follows:

	2022 £000	2021 £000
Present value of funded obligations	(48,403)	(50,033)
Fair value of plan assets	30,998	30,808
Deficit	<u>(17,405)</u>	<u>(19,225)</u>

Included in the deficit is £Nil (2021- £Nil) which is a provision for Guaranteed Minimum Pension equalisation.

The Pension Fund Trustees and the charity agreed as part of the 31 March 2018 valuation that, from 1 April 2020 onwards, pensions in payment will increase in line with CPI rather than RPI. Increases will continue to be capped at 5% pa for pensions accrued pre 1 April 2006 and 2.5% pa for pensions accrued thereafter. That change has resulted in a reduction in the present value of the defined benefit obligation. The amounts recognised in the net income and expenditure are as follows:

	2022 £000	2021 £000
Administration costs incurred during the period	130	303
Net interest cost	378	303
Past service cost	-	-
Total pension expense	<u>508</u>	<u>606</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

**27. Pension commitments: Defined Benefit schemes
(continued)**

The amounts in the statement of other movements in funds are:

	2022 £000	2022 £000	2021 £000	2021 £000
Actuarial gain/(loss) on plan assets		447		1,401
Actuarial gain/(loss) on defined benefit obligation		1,172		(6,750)
of which due to experience	(546)		575	
of which due to demographic assumptions	22		63	
of which due to financial assumptions	1,696		(7,388)	
Total gain/(loss) in other movements in funds		<u>1,619</u>	-	<u>(5,349)</u>

Changes in the present value of the defined benefit obligations are:

	2022 £000	2021 £000
Liabilities at the start of the period	50,033	43,939
Interest cost	986	949
Actuarial gain	(1,172)	6,750
Benefits paid	<u>(1,444)</u>	<u>(1,605)</u>
Liabilities at the end of the period	<u>48,403</u>	<u>50,033</u>

Changes in the fair value of plan assets are:

	2022 £000	2021 £000
Fair value of plan assets at start of the period	30,808	29,952
Interest income	608	646
Actuarial gain/(loss)	447	1,401
Contributions by the employer	709	717
Benefits paid	(1,444)	(1,605)
Non-investment expenses	(130)	(303)
Fair value of plan assets at end of the period	<u>30,998</u>	<u>30,808</u>

	2022 £000	2021 £000
Interest income	608	646
Actuarial gain/(loss) on plan assets	447	1,401
Return on plan assets	<u>1,055</u>	<u>2,047</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

**27. Pension commitments: Defined Benefit schemes
(continued)**

Major categories of plan assets as a percentage of total assets

	2022 £000	2022 %	2021 £000	2021 %
Equities	7,108	22.9	6,553	21.3
Diversified Growth Fund	11,189	36.1	10,832	35.1
Bonds	7,039	22.7	7,723	25.1
Cash	5,661	18.3	5,700	18.5
Total	30,998	100.0	30,808	100.0

Principal actuarial assumptions at the balance sheet date:

	2022	2021
Discount rate	2.8%	2.0%
Rate of increase in salaries	3.4%	2.7%
Rate of increase in pensions	3.3%	2.7%
Rate of inflation RPI	4.0%	3.3%
Rate of inflation CPI	3.4%	2.7%
Life expectancies:		
Current pensioners age 65 - males	21.8	21.8
Current pensioners age 65 - females	24.2	24.1
Future pensioners age 65 (currently age 45) - males	22.8	22.8
Future pensioners age 65 (currently age 45) - females	25.3	25.3

Experience of gains and losses

	2022 £000	2021 £000
Liabilities at the end of the year	(48,403)	(50,033)
Assets at the end of the year	30,998	30,808
Deficit at the end of the year	(17,405)	(19,225)
Asset gain	447	1,401
% of scheme assets	1.4%	4.5%
Liability gain/(loss)	1,172	(6,750)
% of scheme assets	2.4%	-13.5%

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

**27. Pension commitments: Defined Benefit schemes
(continued)**

(B) Universities Superannuation Scheme

	2022	2021
	£'000	£'000
Liability less than 1 year	3	3
Liability more than 1 year	42	26
Total	45	29

Since the The Arable Group Limited cannot identify its share of the assets and liabilities of the USS scheme, the following disclosures have been provided by the pension scheme to reflect those relevant for the scheme as a whole.

Universities Superannuation Scheme (USS)

Following changes to the USS, this scheme now comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement. The latest formal actuarial valuation of the USS defined benefit liabilities has been carried out as at 31 March 2020 to meet the requirements of the Pensions Act 2004 and was published in March 2022. This actuarial valuation shows a shortfall of £14.1bn in the USS with the scheme assets being sufficient to cover 83% of its 'technical provisions' liabilities.

Based on this valuation the actuary has determined that the Employers deficit contributions will be 6.2% of salary until 31 March 2024 and 6.3% thereafter.

The past service deficit contributions are expected to correct the deficit by 30 April 2038. To reflect the liability for these contributions the charity has used a financial modeller to calculate the provision it needs to recognise in the financial statements. The calculated amount is recognised in the balance sheet and any changes in the value of the deficit liability each year are shown on the Statement of Financial Activities. The assumptions used as part of this modelled for the year ended 31 March 2022 are shown below.

Further details on, and a copy of, the 2020 Actuarial Valuation of the USS can be found on the USS website.

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

**27. Pension commitments: Defined Benefit schemes
(continued)**

Further information on the 2020 actuarial valuation of the USS Scheme is included below.

Of The Arable Group Limited's 4 employees at 31 March 2022 (2021:4), 2 were members of USS (2021:1).

The Arable Group Limited's calculated share of the USS defined benefit pension liability amounts to £45k (2021: £29k) and the total cost charged to the Statement of Financial Activities in respect of USS amounts to £15k (2021: £8k).

The liability has been re-calculated using the USS model provided with reference to the remaining deficit recovery period of 18 years from 2020 to 2038. Since the group cannot identify its share of the assets and liabilities of the USS scheme, the following disclosures have been provided by the pension scheme to reflect those relevant for the scheme as a whole.

The following assumptions were used to calculate the group's share of the USS liability:

	2022	2021
Discount rate	2.22%	2.3%
Projected salary inflation	2.7%	2.7%

Salary inflation assumptions take into account the level of annual pay increases set in the April before the relevant year-end, prevailing CPI rates, and the Bank of England long-term inflation target of 2%. The calculation reflects an assumption that there would be some reduction in member numbers in the forward years. The assumptions underpinning the calculation reflect a prudent assessment of the available information and options but represents a key area of estimation uncertainty in the financial statements.

Analysis of the charge to the income and expenditure statement is set out below:

	2022 £'000	2021 £'000
Employer contributions	8	17
Contributions allocated to deficit provision	-	(1)
Change in contributions from past expectations	7	(9)
Contribution costs total	<u>15</u>	<u>7</u>
Interest payable	1	1
	<u>16</u>	<u>8</u>

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2022	2021
Discount rate	2.22%	2.3%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.7%	2.7%

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

**27. Pension commitments: Defined Benefit schemes
(continued)**

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the Scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions are based on the following mortality tables:

	2020	2018
Male members mortality	101% of S2PMA light	71% of AMC00 (duration 0)
Female members mortality	95% of S3PFA	112% of AMFG00 (duration 0)

Future improvements to mortality are based on the Continuous Mortality Investigation's (CMI) 2019 projections with smoothing parameter of 7.5, an initial addition of 0.5% and a long-term improvement rate of 1.8% for males and 1.6% for females.

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 years	23.9	24.4
Females currently aged 65 years	25.5	26.3
Males currently aged 45 years	25.9	25.9
Females currently aged 45 years	27.3	27.7

Summary of the Scheme position as at 31 March is set out below:

	2022	2021	2020
Scheme assets	£124.4bn	£80.6bn	£66.5bn
Total scheme liabilities	£77.1bn	£95.8bn	£79.4bn
FRS102 Total scheme deficit	£47.3bn	£15.2bn	£12.9bn
FRS102 Total funding level	83%	84%	84%

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2022

28. Operating lease commitments

At 31 March 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Not later than 1 year	729	<i>745</i>	728	<i>734</i>
Later than 1 year and not later than 5 years	1,275	<i>1,616</i>	1,275	<i>1,616</i>
	2,004	<i>2,361</i>	2,003	<i>2,350</i>

The following lease payments and changes in lease payments have been recognised in the Statement of Financial Activities:

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Land and Buildings	665	<i>728</i>	665	<i>267</i>
Motor vehicles	155	<i>180</i>	155	<i>135</i>
	820	<i>908</i>	820	<i>402</i>

29. Capital commitments

Improvements to the charity's Hasse Fen site costing £600k were completed in April 2021. The works remained the property of the supplier until paid for. As the invoice was not received or settled until May 2021, the additions have been reflected in the accounts for the year to 31 March 2022.

The charity have committed to spend £435k on a Microscopy Suite which is due for completion in November 2022.

30. Members' liability

The charitable company is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 March 2021 there were eleven members, comprising the Trustees.

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2022

31. Related party transactions

In the ordinary course of business the company entered into transactions with National Institute of Agricultural Botany Trust. The company has a close relationship with National Institute of Agricultural Botany Trust, which has an object to support NIAB.

During the course of the year NIAB is charged a facilities charge for the occupation of the land and buildings owned by the Trust, and the Trust receives a charge from NIAB relating to the Research Funding Agreement between the two parties. These transactions will be represented by both cash and non-cash, due to accruals made for activities at the end of the financial year.

These transactions are summarised below:

	2022	<i>2021</i>
	£000	<i>£000</i>
Closing (creditor)	(148)	<i>(1)</i>
Annual support	1,125	<i>1,125</i>
Additional support towards pension costs	500	<i>500</i>
Contribution towards other costs	600	<i>-</i>
Expenditure	(500)	<i>(500)</i>

In 2017 NIAB EMR, a subsidiary company, obtained a loan of £1,500,000 from National Institute of Agricultural Botany Trust. The loan was transferred to NIAB on 1 April 2021 when the business, assets and liabilities of NIAB EMR were merged into NIAB. This loan is secured by a first fixed and floating charge on the assets of NIAB EMR and, while there is no fixed repayment timetable, the loan is repayable in full by 8 February 2026. Interest is charged at 2% above the Bank of England base rate, which is considered to be a market value.

The charitable company has taken advantage of the exemptions contained within FRS102, section 33, not to disclose intra-group transactions on the basis that the subsidiaries are wholly owned and the accounts are publicly available.

32. Parent charity result

The parent charity result for the year before other recognised gains and losses and before charges or credits to the pension fund cost was a surplus of £9,815k (2021: surplus £1,270k).

NIAB

England & Wales - Charity number 1064230

Accounts

NIAB

Trustees' Report and Financial Statements

For the Year Ended 31 March 2021

NIAB

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NIAB

**Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 March 2021**

Trustees	J E Godfrey, OBE, Chairman Professor M J Caccamo, Chief Executive (appointed 1 October 2021) Dr T L Barsby, OBE, BSc S J Ellwood, BSc Dr H Ferrier, BSc, MSc (appointed 8 December 2020) K E Fidgeon, FCA Dr N Kerby, MBE. BSc Dr C A Lang, BA R C Lowson Professor I J Puddephat, BSc, PhD J P Regan (appointed 8 December 2020) Professor A G Smith, BSc, MPhil, PhD J R Harle (resigned 8 December 2020) R A Macdonald, CBE, BSc (resigned 8 December 2020)
Company registered number	3395389
Charity registered number	1064230
Registered office	93 Lawrence Weaver Road Cambridge CB3 0LE
Company secretary	Dr J McKee
Chief executive officer	Dr T L Barsby OBE (resigned 30 September 2021) Prof M Caccamo (appointed 1 October 2021)
Independent auditors	Crowe U.K. LLP Statutory Auditor 55 Ludgate Hill London EC4M 7JW
Bankers	Barclays Bank PLC 1 Churchill Place Canary Wharf London E14 5HP

NIAB

**Reference and Administrative Details of the Charity, its Trustees and Advisers (continued)
For the Year Ended 31 March 2021**

Solicitors

Birketts LLP
22 Station Road
Cambridge
CB1 2JD

Gowling WLG (UK) LLP
4 More, London Riverside
London
SE1 2AU

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT

STRATEGIC REPORT

Background

NIAB is at the centre of innovation in agricultural and horticultural crop sciences.

The National Institute of Agricultural Botany was founded by Deed of Trust in 1919. It was regulated by a scheme made by the Secretary of State for Education and Science until 1998, when a new structure was agreed which saw the formation of two charities which would operate in tandem. NIAB was formed to conduct the charitable operations. The National Institute of Agricultural Botany Trust provide land, facilities and financial support to NIAB, which the Trust determine is the preferred vehicle to deliver its charitable activities. NIAB controls two other charities: The Arable Group Limited and NIAB EMR.

Building on a longstanding international reputation for expertise in plant varieties and seeds, NIAB's scientific capabilities span the crop improvement pipeline; from underpinning research required to develop higher yielding more climate resilient crops, through to the extensive trials data, agronomy expertise and advice needed to ensure these advances are transferred effectively to the wider industry.

Mission and Vision

Our mission is to conduct high-quality strategic and applied research in agricultural, horticultural and environmental sciences, and to deliver knowledge, products and services that benefit public and private customers.

Our vision is to connect the science base and industry by providing an integrated research and knowledge transfer hub for the entire crop improvement pipeline, with a clear focus on improving the productivity, quality and resource use efficiency of crop production.

Strategy

A central objective of NIAB's research activity is to bridge the gap between the basic understanding of plant science and the ability to apply that knowledge in practice.

NIAB has the specialist knowledge, skills and facilities required to support improved crop production, to evaluate variety performance and quality in the field, to conduct agronomy research and to ensure the benefits of new knowledge and genetic potential are transferred on to farm and into the food industry which depends on productive agriculture.

The integration of the latest advances in data science alongside expertise in crop pre-breeding, agronomy and farming systems is key to unlocking a step-change improvement in UK crop production and product quality. NIAB's intention is to be at the forefront of crop innovation and to lead a step change in crop productivity, whether through the increased application of bioinformatics in bringing new genetics to the marketplace, or through the combination of data science and agronomy to target on-farm production directly.

NIAB's research activities are increasingly part of global partnerships as the science relevant to UK agriculture finds equal application in other countries and is particularly relevant to developing economies.

Public Benefit

The need for innovation in plant breeding and agronomy has never been greater. With climate change and a growing population, food security issues are a global concern. Crop science and technology have a vital role to play in boosting productivity, conserving resources and coping with climate change.

NIAB seeks to:

- advance science for public benefit, primarily through the support of crop research and development, publishing academic papers and delivering practical solutions, working with a network of scientific partnerships and collaborations with leading academic, research and commercial organisations in the UK, Europe and the rest of the world;
- demonstrate how plant resources and crop genetic improvement can help address the major global challenges of sustainable use of resources, climate change, food security and the provision of high quality food to enhance health and nutrition;
- promote agriculture, horticulture and arboriculture anywhere in the world.

The Trustees are satisfied they have complied with their duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. Based on this guidance, and as described in this Trustees' report, the Trustees believe the activities of NIAB to be charitable in nature.

Performance

Performance against the 2020/21 objectives is highlighted in the table below:

Objectives	Performance
<p>Covid-19 Towards the end of the 2019/20 year Covid-19 arrived as a global pandemic. The principal objective then became ensuring business continuity. This needs to remain a focus as the effect of the pandemic is still not clear.</p>	<p>NIAB continued to function through the pandemic, carrying out its essential functions underpinning the UK farming industry. Social distancing and hygiene measures were put in place, adapted to local conditions. Those who could work from home did so. NIAB are now managing a return to work in line with government guidance.</p> <p>Income was maintained and, in large part, delivery of projects and services was also maintained.</p>
<p>Review the 5-year plan incorporating the effects of the Covid-19 epidemic, with a focus on financial stability. Financial stability will be achieved through a mix of increased efforts on income generation alongside cost cutting, including staff costs.</p>	<p>Extra effort put into income generation and cost saving led to an operational profit of £741k. In addition, grant income for capital purchases of £2,785k resulted in a surplus, before adjustment for the defined benefit pension scheme, of £3,641k for the year.</p>
<p>Develop new facilities at East Malling.</p>	<p>With the support of the East Malling Trust who pledged matched financial support, successful bids were submitted to the UK Government’s ‘Strength in Places’ fund and to the South East LEP (SELEP) Local Growth Fund. Construction of a new glasshouse, a reception building, and a wine innovation centre has commenced, bringing new facilities to the East Malling site for the first time in 35 years.</p> <p>These new facilities at East Malling will provide renewed scope for stakeholder engagement and impact from the research at NIAB EMR.</p>
<p>Protect and release two new fruit varieties.</p>	<p>Applications for Plant Variety Rights were filed for Malling Vitality - a June-bearer strawberry, and Malling Ace - an everbearer strawberry.</p>
<p>Merge the subsidiary charity NIAB EMR into NIAB.</p>	<p>The merger of the business, assets and liabilities of NIAB EMR into NIAB was completed on 1 April 2021.</p>
<p>Officially launch the Crop Science Centre, the alliance with the University of Cambridge, recruit science leaders, and secure new sources of funds.</p>	<p>The Crop Science Centre was officially launched on 1 October 2020, with a virtual ceremony attended by national and local dignitaries. Four new Fellowships have been established and recruitment has been successful, with the Fellows starting during Q3 2021. New charitable funding for work at NIAB has been awarded.</p>
<p>In the context of changes to existing arrangements as a result of Brexit, to work with others to retain a UK system for the evaluation of Plant Breeders Rights.</p>	<p>For the time being, it appears that the UK will remain aligned with the European system and retain similar Plant Breeders Rights arrangements.</p>
<p>Work with Defra to establish future needs for NIAB statutory services post-Brexit.</p>	<p>NIAB successfully secured a programme of seed testing, scaling up its activities to take account of requirements postBrexit.</p>
<p>Complete the construction of the Agritech incubator Barn 4, and secure first SME occupants.</p>	<p>Funds were awarded to the NIAB Trust by the Cambridge and Peterborough Combined Authority to build an incubator (labs and offices) to house agritech SMEs. Construction was completed on time and in budget. The first members joined in March 2021.</p>

Objectives for 2021/22

NIAB is addressing the following objectives for the year to 31 March 2022:

- Following the arrival of Covid-19 as a global pandemic towards the end of the 2019/20 the principle objective became ensuring business continuity. This needs to remain a focus as the long-term economic effects of the pandemic are still not clear.
- Continue to focus on the 5-year plan, incorporating the effects of the Covid-19 epidemic, with a focus on financial stability.
- Complete the development of new facilities at East Malling.
- Having successfully merged the subsidiary charity NIAB EMR into NIAB, explore further simplification of the NIAB subsidiary structure.
- Re-establish a European presence by the creation of a new Spanish Subsidiary, and grow the business in the Iberian peninsula
- Restore external communications and events to pre-Covid levels as far as possible.
- Successful transition to a new CEO, Professor Caccamo, following Dr Barsby's retirement.

FINANCIAL REVIEW

Income

The total incoming resources for the group were £31,137k (2020: £26,893k). A total of £10,050k related to Agricultural Services (2020: £10,308k) and £12,559k related to Laboratory and Research (2020: £8,490k), including £2,785k from capital grants and £1,153k to enable a scale up of seed testing capacity post Brexit. The income relating to commercial trading operations totalled £7,829k (2020: £7,124k). The group does not carry out fundraising activities.

Expenditure

The total outgoing expenditure was £27,496k (2020: £23,349k).

Capital Expenditure

The charity funded the capital purchases from both restricted (grants) and unrestricted income. The total group spend was £3,913k (2020 £2,142k).

Business Review and key performance indicators

NIAB continues to review the most appropriate Key Performance Indicators by which the development, performance or position of the various elements of its operations can be effectively measured.

The following Key Performance Indicators (KPIs) have been reviewed for the group: -

	2021	2020
Charitable and trading Income (excluding capital grants £2,440k – 2020: £816k)	£28,135k	£25,175k
Staff Costs (before past service cost adjustment)	£15,207k	£15,182k
Average Staff Numbers	361	351
Turnover per head (excluding capital grants)	£77.9k	£71.7k

The Charitable and trading Income is a measure of the charity's ability to secure sufficient income to maintain a sustainable research facility. The staff costs and average staff numbers are also an important measure.

Going Concern

The Trustees have acknowledged the guidance on going concern and financial reporting published by the Financial Reporting Council in 2016.

The Group's operating activities are diverse. Research and development in Crop Genetics, Computational Biology, Plant Breeding and Plant Characterisation are supported by long-term contracts and competitively won research grants which, historically, have been largely unaffected by changes in the general economy. Crop Agronomy, Membership,

Training and Seed Certification activities are generally contracted on an annual basis and are supported by a diverse customer base. All of that income has been stable over a number of years. More recently the Group has been successful in being awarded large capital grants which are reflected in the increase in income in the current year results.

The Group balance sheet shows a deficit of £12,474k (2020: £10,766k). Taking out the Restricted and Endowment funds leaves an Unrestricted deficit of £13,472k (2020: £11,824k). Stripping out the pension scheme deficit of £19,225k (2020: £13,987k) (discussed in more detail below), the long-term debt to the NIAB TRUST of £1,500k and Fixed Assets (Tangible plus Intangible) plus Trade investments in total within Unrestricted funds of £8,338k (2020: £5,644k) leaves a negative underlying unrestricted reserve of £1,085k (2020: £1,981k) as described in the Reserves policy in this report.

One of the key objectives as noted above for the year was a review of the 5-year plan incorporating the effects of the Covid-19 pandemic, with a focus on financial stability. The result for the year was achieved through a mix of increased efforts on income generation alongside cost cutting.

NIAB has undertaken an exercise of reviewing income and planned expenditure, including financial and cashflow projections, to forecast how various outcomes might affect NIAB's operations in 2022, considering the risk of decreased income from various sources. The results of the scenario planning have been used as a basis from which to formulate a model for strategic planning.

A key component of the revised 5-year plan is to create surpluses through growth, cost savings and improved margins on services and products. At the time of writing this report, the forecast for 2021/22 is for an operational deficit based on the actual results to September 2021 and new income secured for the remainder of 2021/22. However, once capital grants are included there will be a substantial surplus reported. There is a small operational surplus projected for 2022/23.

A component of the financial risk to NIAB is the pension scheme. The NIAB (1996) Pension Scheme ('Scheme') was established in 1996 following NIAB's separation from Government and establishment as a not-for-profit entity. The Board have taken steps to manage the Scheme deficit, closing the Scheme to new members in 2001 and to future accrual in 2007.

The National Institute of Agricultural Botany Trust ('TRUST' Charity No. 1144528) was established at the same time as NIAB and holds the property assets of the previously government owned institution.

The TRUST was established with similar charitable objects to NIAB and fulfils its charitable objects through the provision of support to NIAB.

The TRUST is a participating employer in the Scheme with NIAB. This means that the entire deficit liability of the pension scheme is shared with the TRUST, and the assets of the TRUST support NIAB's balance sheet in providing the employer covenant, and the recovery payments agreed under the recovery plan. A new recovery plan, based on the triennial valuation at 31 March 2021 is being negotiated with the Pension Scheme trustees.

A key component of the review of going concern, given other uncertainties, is the support from the TRUST.

The TRUST has a balance sheet value of in excess of £57m. It has confirmed that it will continue to support NIAB and provide funding and lending sufficient to ensure NIAB remains a going concern. The funding includes ongoing funding for research and facilities and contributions to the pension scheme recovery payments. The lending is in the form of an 'overdraft' facility which can be used by NIAB to manage working capital fluctuations in year of up to £2m.

The trustees have considered the following in arriving at their conclusions on going concern: -

1. The cash flow forecast and latest management accounts, which give confidence that NIAB can continue to pay its debts as they fall due.
2. The TRUST's continued support to NIAB through the provision of facilities and funding and borrowing support.
3. The Trust being a participating employer alongside NIAB in the Pension Scheme.

After making enquiries and considering the uncertainties described above, the trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Subsidiaries and related parties

NIAB has three wholly owned subsidiaries, NIAB Trading Ltd, East Malling Services Ltd. and TAG Consulting Limited, which gift aid their profit to NIAB. NIAB EMR and The Arable Group

Limited are charitable companies limited by guarantee. In both cases NIAB, as the sole voting member, has the power to appoint the Trustee Board of NIAB EMR and The Arable Group Limited and they are therefore considered to be subsidiary undertakings during 2020/21 by virtue of control.

NIAB has an important relationship with the National Institute of Agricultural Botany Trust, which has an object to support NIAB in pursuit of its objects. This includes the provision of land and facilities.

Reserves Policy

The Trustees have reviewed the reserves of the group. The review encompassed the nature and reliability of the income and nature and level of commitment of expenditure streams. They have also considered the financial risks, the need to match variable income with fixed commitments, and the nature of the current reserves.

On a risk-based analysis the Trustees have concluded that their aim is to achieve a general reserve equivalent to between two and four and a half month's worth of unrestricted fund expenditure. At the current annual spend, the reserves target is therefore between £4m and £9m.

At 31 March 2021 group unrestricted reserves excluding fixed assets and pensions liability and the long-term loan from the NIAB Trust, were negative £1,085k (2020: £1,981k), the net improvement reflecting the surplus generated in the year. The Trustees are in the process of reviewing a 5-year plan, a key component of which will be to create surpluses through growth, cost savings and improved margins on services and products, thereby increasing the general reserves position to bring it back to positive and then moving towards the target range. At the time of writing this report, the forecast for 2021/22 was for an operational deficit.

In the meantime, the Trustees continue to monitor closely the financial position of the group, including forecasts and cash flow projections, to ensure they can demonstrate the ongoing ability of the group to be able to pay its debts as they fall due.

Accounting Period

The Trustees present their report and the financial statements for the year ended 31 March 2021. The company's year-end (Accounting Reference Date) is 28 March, although the financial statements continue to be prepared to 31 March as permitted by section 390(3) of the Companies Act 2006.

RISK ASSESSMENT AND MANAGEMENT

The Board of Trustees is responsible for ensuring there are effective and adequate risk management and internal control systems in place to manage the major risks to which the Charity is exposed. The Board reviews the risk register at each meeting.

Principal Risks and Uncertainties

Risk Area	Risk	Management
Covid-19	Business disruption from staff absence Managing the return of staff to work	The Trustees continue to follow government guidelines and implement local rules regarding hygiene and social distancing . Risk assessments for utilisation of buildings and carrying out of activities and for return to work by employees. Continued support of remote working.
Strategy / Process	Failure to deliver the business plan	The CEO and Executive team remain focused on the actions required to deliver the Business Strategy and Annual Business Plan, whilst ensuring the short-term focus on the Business Continuity plan.
Strategy / Process	Loss of data either electronic or paper	Review of NIABs disaster recovery plan required annually. The Executive have agreed the necessary organisational and investment programme.
Strategy / Process	Loss of Trials Land and farm relocation	NIAB Trust providing interim funding for a New Farm Hub and Trials Land. New site identified and Landlord progressing planning permission.
Financial	Pension Scheme deficit	2021 Triennial valuation carried out. Discussions with the Pension Scheme trustees at Board level. NIAB TRUST as participating employer in the scheme, improving the employers covenant.
Financial	Reduction of the deficit and repayment of loans from the Trust	Delivery of the 5-year business pan, with a focus on annual and sustained surplus generation.

STRUCTURE, GOVERNANCE and MANAGEMENT

Members and Board of Trustees

The Board of Trustees comprises the Chair and up to eleven additional Trustee directors. The Trustees are also the members of the organisation.

The Board has established the following sub-committees:

- Finance (1)
- Nominations and Remuneration (2)

The following Trustees have served during the period:

J E Godfrey, OBE	1, 2	Chairman
Dr T L Barsby, OBE, BSc		
S J Ellwood, BSc	1, 2	
Dr H Ferrier BSc, MSc (appointed 8 December 2020)		
K E Fidgeon, FCA	1	
J R Harle (retired by rotation on 8 December 2020)		
Dr N Kerby, MBE, BSc	1	
Dr C A Lang, BA	2	
R A Macdonald, CBE, BSc (retired by rotation 8 December 2020)	2	Deputy Chairman
R C Lowson		
Professor I J Puddephat, BSc PhD		
J P Regan (appointed 8 December 2020)		
Professor A G Smith BSc, MPhil, PhD	2	

Professor M J Caccamo was appointed on 1 October 2021.

Recruitment, induction and training of Trustees

NIAB recruits Trustees with the relevant skillset to support the charity's activities. An induction programme has been put in place for newly appointed Trustees and is kept under review and updated where appropriate. In addition, Trustees are in regular contact with the Chief Executive and executive team and receive updates on key areas of activity.

Organisation and governance

The Trustees have used the UK Charity Governance Code to measure the performance of the board and its structure. The Trustees, through its Nominations Committee, regularly review the skills matrix of the board and make annual recommendations to the full board prior to the AGM in respect of membership and performance of the board. Improving governance is an ongoing work and the Trustees will continue to develop the group's governance structure.

NIAB is incorporated in England and Wales and is a company limited by guarantee (registered number 03395389) and a registered charity (number 1064230). It is governed by its Memorandum and Articles of Association which were last amended 6 May 2021.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of

Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

Trustee Remuneration

NIAB provides an honorarium for the Chairman of the Board, the Deputy Chairman and the Chairman of the Finance Committee. In addition to this, a per diem fee is payable to qualifying Trustees.

Decision making and key management

The Board of Directors (Trustees) administer the company and meet quarterly. A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the company. To facilitate effective operations the Chief Executive and Executive Team have delegated authority, within the terms of delegation approved by the board, for all operational matters.

The key management personnel are appointed by NIAB's Chief Executive; they have authority and responsibility for planning, directing and controlling the activities of the NIAB Group. The nominations and remuneration committee consider the pay for key management personnel in the context of the overall company pay review, and the benchmarking of similar roles within BBSRC institutes and industry.

Employees

The average number of employees for the period was 361 (2020: 351). A policy of equal opportunity is pursued throughout, including the treatment of applications for employment from people who may be disabled, taking account only of the qualifications and abilities of each individual. Should any employee become disabled during the course of employment every effort would be made to retain that person's services and to provide necessary re-training.

NIAB and its Trustees engage with its employees through regular meetings and consultations with the representatives from the Prospect and Unite unions.

Continuing education and training is regarded as vital for the continuance of the charity's work, and assistance to this end is provided to a significant number of employees.

Liability Insurance

The Trustees have effected liability insurance as permitted by the company's Articles. This insurance does not provide cover in the event that a Trustee is proved to have acted fraudulently or dishonestly.

STATEMENT OF TRUSTEES RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Trustees (who are also directors of NIAB for the purposes of company law) are responsible for preparing the Trustees' Report, incorporating the Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom General Accepted Accounting Practice (United Kingdom accounting standards and applicable law), including FRS102, the financial reporting standard applicable in the UK and Republic of Ireland. Under company law the Trustees must not approve the financial statements unless that they are satisfied that they give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:


- so far as each Trustee is aware, there is no relevant audit information of which the auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

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

The trustees approve the Trustees' Report, incorporating the Strategic Report, and financial statements which are signed on behalf of the Board of Trustees of NIAB.

J E Godfrey, Chairman

Date:


18 November 2021

Independent Auditors' Report to the Members of NIAB

Opinion

We have audited the financial statements of NIAB ('the charitable company')[and its subsidiaries ('the group')] for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity balance sheets, the Consolidated statement of cash flows 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

Independent Auditors' Report to the Members of NIAB (continued)

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 trustees' report, which includes the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; 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; or

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditors' Report to the Members of NIAB (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and safety legislation, Employment legislation, and Taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and contract income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 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.

N Hashemi

Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date: 30 November 2021

NIAB

**Consolidated Statement of Financial Activities (incorporating income and expenditure account)
For the Year Ended 31 March 2021**

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Endowment funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Note					
Income and endowments from:					
Donations	3	500	-	500	828
Charitable activities	4	14,741	8,005	22,746	18,867
Other trading activities	5	7,829	-	7,829	7,124
Investments	6	62	-	62	74
Total income and endowments		23,132	8,005	31,137	26,893
Expenditure on:					
Trading activities		8,176	-	8,176	7,730
Charitable activities:	7				
Expenditure on activities		13,203	6,067	19,270	20,422
Pension - past service cost		50	-	50	(4,803)
Total expenditure		21,429	6,067	27,496	23,349
Net income		1,703	1,938	-	3,641
Transfers between funds	22	1,998	(1,998)	-	-
Net movement in funds before other recognised gains/(losses)		3,701	(60)	-	3,641
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes		(5,349)	-	(5,349)	(355)
Net movement in funds		(1,648)	(60)	(1,708)	3,189
Reconciliation of funds:					
Total funds brought forward		(11,824)	308	750	(13,955)
Total funds carried forward		(13,472)	248	(12,474)	(10,766)

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 60 form part of these financial statements.

NIAB

**Consolidated Balance Sheet
As at 31 March 2021**

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Intangible assets	13		980		819
Tangible assets	14		7,465		4,992
Investments	15		141		141
			8,586		5,952
Current assets					
Stocks	17	298		308	
Debtors	18	8,065		7,254	
Cash at bank and in hand		3,655		705	
		12,018		8,267	
Creditors: amounts falling due within one year	19	(12,091)		(9,160)	
Net current (liabilities)			(73)		(893)
Total assets less current liabilities			8,513		5,059
Creditors: amounts falling due after more than one year	20		(1,762)		(1,838)
Net assets excluding pension liability			6,751		3,221
Defined benefit pension scheme liability			(19,225)		(13,987)
Total net (liabilities)			(12,474)		(10,766)

NIAB

Consolidated Balance Sheet (continued)
As at 31 March 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Charity funds					
Endowment funds	22		750		750
Restricted funds	22		248		308
Unrestricted funds					
General funds	22	5,753		2,163	
Pension reserve	22	(19,225)		(13,987)	
Total unrestricted funds	22		(13,472)		(11,824)
Total funds			(12,474)		(10,766)

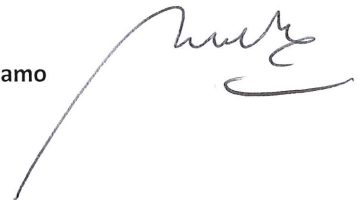
The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 18 November 2021 and signed on their behalf by:

J E Godfrey OBE



Professor M J Caccamo



The notes on pages 20 to 60 form part of these financial statements.

NIAB

**Charity Balance Sheet
As at 31 March 2021**

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	14	4,556	3,912
Investments	15	141	141
		4,697	4,053
Current assets			
Stocks	17	213	208
Debtors	18	7,137	6,145
Cash at bank and in hand		1,674	606
		9,024	6,959
Creditors: amounts falling due within one year	19	(9,285)	(7,698)
		(261)	(739)
Net current liabilities			
		4,436	3,314
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	20	(236)	(261)
		4,200	3,053
Net assets excluding pension liability			
Defined benefit pension scheme liability		(19,225)	(13,987)
		(15,025)	(10,934)
Total net assets			
		(15,025)	(10,934)

NIAB

Charity Balance Sheet (continued)
As at 31 March 2021

	Note	2021 £000	2020 £000
Charity funds			
Endowment funds	22	750	750
Restricted funds	22	248	308
Unrestricted funds			
General funds	22	3,202	1,995
Pension reserve		(19,225)	(13,987)
	22	<u> </u>	<u> </u>
Total unrestricted funds		(16,023)	(11,992)
Total funds		<u><u>(15,025)</u></u>	<u><u>(10,934)</u></u>

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

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J E Godfrey OBE

Professor M J Caccamo



The notes on pages 20 to 60 form part of these financial statements.

NIAB

**Consolidated Statement of Cash Flows
For the Year Ended 31 March 2021**

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash used in operating activities	24	7,425	7
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		25	73
Purchase of intangible assets		(250)	-
Purchase of tangible fixed assets		(3,913)	(2,142)
Purchase of investments		-	(25)
Net cash used in investing activities		(4,138)	(2,094)
Cash flows from financing activities			
Cash inflows from new borrowing		221	429
Repayments of borrowing		(513)	(174)
Interest paid		(45)	(70)
Net cash (used in)/provided by financing activities		(337)	185
Change in cash and cash equivalents in the year		2,950	(1,902)
Cash and cash equivalents at the beginning of the year		705	2,607
Cash and cash equivalents at the end of the year	25	3,655	705

The notes on pages 20 to 60 form part of these financial statements

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

1. General information

NIAB is a company limited by guarantee incorporated in England and Wales and a registered charity. The registered office of the charity is 93 Lawrence Weaver Road, Cambridge, CB3 0LE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

NIAB meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Fund accounting

General unrestricted funds represent income which is expendable at the discretion of the Board in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose.

Endowment funds relate to gifts to NIAB, the terms of which stipulate that the capital may not be spent, and the income is to be utilised towards a specific restriction imposed by the donor.

Investment income, gains and losses are allocated to the appropriate fund.

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

2. Accounting policies (continued)

2.3 Incoming resources

Income has been analysed in accordance with the service provided.

Income from charitable activities:

Incoming resources from charitable activities are accounted for in the year in which the service is provided.

Trading activities:

Commercial trading operations represent the income from the charitable company's trading subsidiaries – TAG Consulting Limited, NIAB Trading Ltd and East Malling Services Limited – which is included in incoming resources when the group becomes entitled to receipt.

Investment income:

Interest is included when receivable by the group.

Income Tax recoverable:

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

Capital grant income:

Some grant income is received for the restricted purpose of acquiring fixed assets. Income is accounted for in the year in which the asset is purchased.

2.4 Coronavirus Job Retention Scheme

Government grants are recognised on the performance model, when the charity has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the Coronavirus Job Retention Scheme has been recognised in the period to which the underlying furloughed staff costs relate. Included in income is an amount of £522k in respect of the Coronavirus Job Retention Scheme.

2.5 Accrued and deferred income

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as earned when the related services are provided which may mean accruing for invoices not yet raised or deferring payments received in advance of work done.

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

2. Accounting policies (continued)

2.6 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the group to the expenditure. Expenditure is allocated as follows:

Charitable Activities:

Expenditure incurred directly in the fulfilment of the objects of the charity including allocated overheads.

Support costs:

Support costs which include central office functions such as general management, finance, information technology and human resources are allocated across categories of expenditure. The basis of the cost allocation has been explained in note 8 to the accounts.

Governance costs:

Expenditure incurred in running and administering the charity which is not directly attributable to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

2.7 Intangible assets and amortisation

IT platform

IT platforms are recognised at cost, which is then amortised evenly over a three year period once the platform has been released for use.

Purchased goodwill

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and amortised evenly over a period of between 5 and 10 years as, in the opinion of the trustees, this represents the period over which the goodwill is expected to give rise to economic benefit. Goodwill is reviewed for impairment at the end of the first financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Plant variety rights

Plant variety rights are recognised at their fair value at acquisition and are amortised evenly in the period over which the rights expire as, in the opinion of the trustees, this represents the period over which the rights are expected to give rise to economic benefit. Plant variety rights are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

2.8 Tangible fixed assets and depreciation

All tangible fixed assets are stated at historical cost.

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is provided on cost over the estimated lives of the assets which are considered to be: .

Leasehold improvements	- over the term of the lease
Apparatus and equipment	- 3 -10 years straight line
Agricultural and motor vehicles	- 3 -10 years straight line
Apparatus and equipment **	- 33% reducing balance
Computer equipment **	- 25% reducing balance
Vehicles **	- 10% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Assets in the course of construction are stated at cost and are not depreciated until brought into use.

** assets transferred from The Arable Group

2.9 Financial instruments

The group has financial assets and financial liabilities which qualify as both basic and non-basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Non-basic financial instruments comprise foreign currency contracts measured at fair value. These are not traded in active markets, and have been fair valued using observable forward exchange rates corresponding to the maturity of the contract. Fair value movements are accounted for through the Statement of Financial Activities.

2.10 Stocks

The financial statements include stocks of chemicals, fertilisers and sprays held by the group, together with a valuation of growing crops for resale. These stocks are stated at the lower of cost and net realisable value. Cost is calculated as follows:

- Agrochemicals, Fertilisers & Sprays are calculated at value invoiced based on a first in first out basis.
- Cultivations & Growing Crops are valued at the cost of the inputs and operations carried out.
- Purchased seed is calculated at suppliers invoice value based on a first in first out basis.
- Farm saved seed is valued at the cost of inputs and operations carried out.

Net realisable value is based on estimated selling price less further costs expected to be incurred for completion and disposal. Provision is made for slow moving items.

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

2. Accounting policies (continued)

2.11 Finance leases and hire purchase

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term.

The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the Statement of Financial Activities in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to Statement of Financial Activities on a straight line basis over the lease term.

2.12 Termination and redundancy payments

Termination and redundancy payments are recognised as a liability and an expense only when the event is demonstrably committed to by either:

- a) termination of the employment of an employee or group of employees before the normal retirement date; or
- b) provision of termination benefits as a result of an offer made in order to encourage voluntary redundancy.

2.13 Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

The Charity's functional and presentational currency is GBP.

2.14 Research and development

All research and development costs are written off as incurred.

2.15 Investments

Investments in subsidiaries are stated at cost. To the extent that the carrying value exceeds the recoverable amount, an impairment loss is recognised. The performance of NIAB Trading Ltd, TAG Consulting Limited and East Malling Services Ltd. are reviewed on a regular basis to monitor the financial performance of the commercial activities.

NIAB holds investments in two commercial companies which it is working with to further its charitable objects.

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

2. Accounting policies (continued)

2.16 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

2.17 Creditors

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

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition or the balance sheet date and that are readily convertible to known amounts of cash with insignificant risk of change of value.

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

2. Accounting policies (continued)

2.19 Pensions

NIAB Defined Benefit Pension Scheme

For the defined benefit retirement plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains and losses arising are recognised immediately in the Statement of Financial Activities.

Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits have already vested, the cost is recognised immediately in the Statement of Financial Activities.

The amount recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the lower of the asset and any unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

Universities Superannuation Scheme

The Arable Group Limited participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The liabilities are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustee on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme.

The assets of the scheme are held in a separate trustee-administered fund. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

Under FRS102, the company has accounted for the present value of the contributions payable as identified in the most recent funding agreement.

NIAB, NIAB EMR, East Malling Services Limited and The Arable Group Limited also operate group money purchase schemes. For these, the pension costs charged in the financial statements represent the contributions payable by the companies during the year.

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

2. Accounting policies (continued)

2.20 Going concern

The trustees have acknowledged the guidance on going concern and financial reporting published by the Financial Reporting Council in 2016.

The Group's operating activities are diverse. Research and development in Crop Genetics, Computational Biology, Plant Breeding and Plant Characterisation are supported by long-term contracts and competitively won research grants which, historically, have been largely unaffected by changes in the general economy. Crop Agronomy, Membership, Training and Seed Certification activities are generally contracted on an annual basis, and are supported by a diverse customer base. All of that income has been stable over a number of years. More recently the Group has been successful in being awarded large capital grants which are reflected in the increase in income.

The Group balance sheet shows a deficit of £12,474k (2020: £10,766k). Taking out the Restricted and Endowment funds leaves an Unrestricted deficit of £13,472k (2020: £11,824k). Stripping out the pension scheme deficit of £19,225k (2020: £13,987k) (discussed in more detail below), the long term debt to the NIAB TRUST of £1,500k and Fixed Assets (Tangible plus Intangible) plus Trade investments in total within Unrestricted funds of £8,338k (2020: £5,644k) leaves a negative underlying unrestricted reserve of £1,085k (2020: £1,981k) as described in the Reserves policy in this report

One of the key objectives as noted above for the year is a review of the 5 year plan incorporating the effects of the Covid-19 pandemic, with a focus on financial stability. This is in process of being achieved through a mix of increased efforts on income generation alongside cost cutting including staff costs in a redundancy exercise carried out in July 2020.

NIAB has undertaken an exercise of reviewing income and planned expenditure including financial and cashflow projections to forecast how various outcomes might affect NIAB's operations in 2021, taking into account the risk of decreased income from various sources. The results of the scenario planning have been used as a basis from which to formulate a model for strategic planning.

A key component of the revised 5 year plan is to create surpluses through growth, cost savings and improved margins on services and products. . At the time of writing this report, the forecast for 2021/22 is for a small operational deficit based on the actual results to September 2021 and new income secured for the remainder of 2021/22. However, once capital grants are included there will be a substantial surplus reported. There is a small operational surplus projected for 2022/23.

A component of the financial risk to NIAB is the pension scheme. The NIAB (1996) Pension Scheme ('Scheme') was established in 1996 following NIAB's separation from Government and establishment as a not-for-profit entity. The Board have taken steps to manage the Scheme deficit, closing the Scheme to new members in 2001 and to future accrual in 2007.

The National Institute of Agricultural Botany Trust ('TRUST' Charity No. 1144528) was established at the same time as NIAB, and holds the property assets of the previously government-owned institution.

The TRUST was established with similar charitable objects to NIAB and fulfils its charitable objects through the provision of support to NIAB.

The Trust is a participating employer in the Scheme with NIAB. This means that the entire deficit liability of the pension scheme is shared with the TRUST, and the assets of the TRUST support NIAB's balance sheet in providing the employer covenant, and the recovery payments agreed under the recovery plan.

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

2. Accounting policies (continued)

2.20 Going concern (continued)

A key component of the review of going concern, given other uncertainties, is the support from the NIAB TRUST.

The TRUST has a balance sheet value of in excess of £57m. It has confirmed that it will continue to support NIAB and provide funding and lending sufficient to ensure NIAB remains a going concern. The funding includes ongoing funding for research and facilities and contributions to the pension scheme recovery payments. The lending is in the form of an 'overdraft' facility which can be used by NIAB to manage working capital fluctuations in year of up to £2m.

The trustees have considered the following in arriving at their conclusions on going concern: -

1. The cash flow forecast and latest management accounts, which give confidence that NIAB can continue to pay its debts as they fall due.
2. The TRUST's continued support to NIAB through the provision of facilities and funding and borrowing support.
3. The TRUST being a participating employer alongside NIAB in the Pension Scheme.

After making enquiries and considering the uncertainties described above, the trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.21 Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Depreciation, which has been charged in line with the accounting policy above. The amount of depreciation charged and net book value of the assets is included in Note 14
- Intangible assets, which were recognised at the fair value of acquisition, and have been amortised. The net book value of the assets is included in Note 13
- Income, which has been recognised in accordance with the work completed on grants and contracts
- Pension Liabilities: The Trustees have reviewed current rates and expected future returns to set the assumptions used for the valuation of the NIAB (1996) Pension Scheme deficit in consultation with the company actuary. Full details are provided in Note 27.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

3. Income from donations

	Unrestricted funds 2021 £000	Total funds 2021 £000
Donations from National Institute of Agricultural Botany Trust	500	500
	<u>500</u>	<u>500</u>
	<i>Unrestricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Donations from National Institute of Agricultural Botany Trust	828	828
	<u>828</u>	<u>828</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

4. Income from charitable activities

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000
Agricultural services	7,704	2,346	10,050
Laboratory and research	6,900	5,659	12,559
Other activities	137	-	137
Total 2021 (including Government grants of £7.1m)	14,741	8,005	22,746
	<i>Unrestricted funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Agricultural services	7,979	2,329	10,308
Laboratory and research	4,901	3,589	8,490
Other activities	69	-	69
<i>Total 2020 (including Government grants of £5.9m)</i>	<i>12,949</i>	<i>5,918</i>	<i>18,867</i>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

5. Income from subsidiary trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000
Agricultural services	6,498	6,498
Agronomy consultancy	1,331	1,331
	<hr/> 7,829 <hr/>	<hr/> 7,829 <hr/>

	<i>Unrestricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Agricultural services	5,874	5,874
Agronomy consultancy	1,250	1,250
	<hr/> 7,124 <hr/>	<hr/> 7,124 <hr/>

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000
Rental income	62	62
	<hr/> 62 <hr/>	<hr/> 62 <hr/>

	<i>Unrestricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Rental income	74	74
	<hr/> 74 <hr/>	<hr/> 74 <hr/>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000
Agricultural services	7,616	5,787	13,403
Laboratory and research	5,637	280	5,917
	13,253	6,067	19,320
	<i>Unrestricted funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Agricultural services	8,370	5,066	13,436
Laboratory and research	6,912	95	7,007
Pension - past service cost	(4,824)	-	(4,824)
	10,458	5,161	15,619

The trustees consider that all expenditure is classified as Research and Development expenditure.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000
Agricultural services	8,598	4,805	13,403
Laboratory and research	4,558	1,359	5,917
	13,156	6,164	19,320

	<i>Activities undertaken directly 2020 £000</i>	<i>Support costs 2020 £000</i>	<i>Total funds 2020 £000</i>
Agricultural services	10,547	2,889	13,436
Laboratory and research	4,257	2,750	7,007
Pension - past service cost	(4,824)	-	(4,824)
	9,980	5,639	15,619

Analysis of support costs

	Agricultural services 2021 £000	Laboratory and research 2021 £000	Total funds 2021 £000
Management	942	515	1,457
Finance	2,422	473	2,895
Information Technology	969	170	1,139
Human resources	341	86	427
Governance	131	115	246
	4,805	1,359	6,164

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Agricultural services 2020 £000</i>	<i>Laboratory and research 2020 £000</i>	<i>Total funds 2020 £000</i>
Management	470	865	1,335
Finance	1,129	918	2,047
Information Technology	682	493	1,175
Human resources	393	267	660
Governance	215	207	422
	<hr/> 2,889	<hr/> 2,750	<hr/> 5,639

Support costs have been allocated to activity cost categories on a basis consistent with the use of resources.

9. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	27	23
Fees payable to the Charity's auditor in respect of:		
The auditing of accounts of subsidiaries of the Charity	23	17
Additional fees in respect of audit previous year	38	18
Taxation compliance services	9	8
	<hr/> <hr/> 9	<hr/> <hr/> 8

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

10. Staff costs

	Group 2021 £000	<i>Group 2020 £000</i>	Charity 2021 £000	<i>Charity 2020 £000</i>
Wages and salaries	12,914	12,777	9,284	8,996
Social security costs	1,128	1,135	816	798
Contribution to defined contribution pension schemes	912	929	649	636
Operating costs of defined benefit pension schemes	303	(4,462)	295	(4,477)
	15,257	<i>10,379</i>	11,044	<i>5,953</i>

During the year a total of £27,500 (2020: £34,908) was paid to 1 employee (2020: 1 employee) as ex gratia payments. In addition £61,582 in total (2020: £13,475) was paid to 7 employees (2020: 2 employees) by way of redundancy payments.

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

	Group 2021 No.	<i>Group 2020 No.</i>
Technical and Scientific	210	205
Support staff	59	65
Agricultural staff and casuals	92	81
	361	<i>351</i>

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

10. Staff costs (continued)

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

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	9	11
In the band £70,001 - £80,000	5	4
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	-	2
In the band £100,001 - £110,000	2	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	3	2
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	1	-

The key management personnel during the year were:

Dr T L Barsby
 S M Knight
 S C Masson (resigned 31 December 2020)
 Professor M Caccamo
 M Leaman
 W Clark
 N Watson
 Dr J McKee
 R Harrison

The total costs relating to key management personnel (including wages and salaries, employees' national insurance, pension costs and fees) during the year were £898k (2020: £865k).

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2021

11. Trustees' remuneration and expenses

The Chairman and Deputy Chairman of the Board of Trustees and the Chairman of the Board's Finance Committee received honoraria, totalling £12,300 (2020: £13,200). Meeting fees totalling £8,400 were paid to eight trustees (2020: £5,800 for five trustees). Charity Commission approval has been obtained prior to these payments.

As provided for in the charity's Articles of Association, the Chief Executive of the charity is also a member of the board (from November 2017). The payments to the Chief Executive (as an employee) for the year were as follows:

		2021	<i>2020</i>
		£000	<i>£000</i>
Dr T L Barsby OBE	Remuneration	129	<i>125</i>
	Pension contributions paid	10	<i>11</i>
	Other benefits	13	<i>11</i>

During the year ended 31 March 2021, expenses totalling £351 were reimbursed or paid directly to 1 trustee (2020 - £6,484 to 6 trustees).

Other than the above there are no other related party transactions to be reported in respect of the trustees.

12. Taxation

NIAB is a registered charity and is exempt from tax on income and capital gains falling within section 505 of the Income and Corporation Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. No tax charges have arisen in the Charitable Company. Any charges arising in the subsidiary companies are disclosed in Note 16.

There is no provision for deferred tax on fair value adjustments because any chargeable gains are applied to charitable objectives so no tax liability arises.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

13. Intangible assets

Group

	Plant Variety Rights £000	IT Platform £000	Purchased Goodwill £000	Total £000
Cost				
At 1 April 2020	1,101	93	418	1,612
Additions	250	-	-	250
Disposals	(1)	-	-	(1)
At 31 March 2021	<u>1,350</u>	<u>93</u>	<u>418</u>	<u>1,861</u>
Amortisation				
At 1 April 2020	300	93	400	793
Charge for the year	70	-	18	88
At 31 March 2021	<u>370</u>	<u>93</u>	<u>418</u>	<u>881</u>
Net book value				
At 31 March 2021	<u>980</u>	-	-	<u>980</u>
At 31 March 2020	<u>801</u>	-	18	<u>819</u>

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

13. Intangible assets (continued)

Charity

	IT Platform £000
Cost	
At 1 April 2020	93
At 31 March 2021	93
Amortisation	
At 1 April 2020	93
At 31 March 2021	93
Net book value	
At 31 March 2021	-
At 31 March 2020	-

Included in intangible assets are Plant Variety Rights, Purchased Goodwill arising from the acquisition of the business of ADAS by TAG Consulting Limited, the acquisition of East Malling Research and the development of IT platforms.

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**Notes to the Financial Statements
For the Year Ended 31 March 2021**

14. Tangible fixed assets

Group

	Short-term leasehold property £000	Plant, machinery & vehicles £000	Office & Computer equipment £000	Scientific equipment £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 April 2020	606	8,525	2,748	3,094	51	15,024
Additions	-	536	255	486	2,636	3,913
Disposals	-	(128)	-	-	-	(128)
At 31 March 2021	606	8,933	3,003	3,580	2,687	18,809
Depreciation						
At 1 April 2020	286	5,637	1,975	2,134	-	10,032
Charge for the year	64	655	379	336	-	1,434
On disposals	-	(122)	-	-	-	(122)
At 31 March 2021	350	6,170	2,354	2,470	-	11,344
Net book value						
At 31 March 2021	256	2,763	649	1,110	2,687	7,465
At 31 March 2020	320	2,888	773	960	51	4,992

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**Notes to the Financial Statements
For the Year Ended 31 March 2021**

14. Tangible fixed assets (continued)

Charity

	Short-term leasehold property £000	Plant, machinery & vehicles £000	Office & Computer equipment £000	Scientific equipment £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 April 2020	606	7,659	2,512	2,349	51	13,177
Additions	-	492	255	440	627	1,814
Disposals	-	(128)	-	-	-	(128)
At 31 March 2021	606	8,023	2,767	2,789	678	14,863
Depreciation						
At 1 April 2020	286	5,435	1,819	1,725	-	9,265
Charge for the year	64	572	334	194	-	1,164
On disposals	-	(122)	-	-	-	(122)
At 31 March 2021	350	5,885	2,153	1,919	-	10,307
Net book value						
At 31 March 2021	256	2,138	614	870	678	4,556
At 31 March 2020	320	2,224	693	624	51	3,912

The net book value of the group's and charity's assets includes £441,021 (2020: £996,529) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged in the year on those assets totalled £142,905 (2020: £207,945).

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**Notes to the Financial Statements
For the Year Ended 31 March 2021**

15. Fixed asset investments

Group and Charity	Trade investments £000
Cost or valuation	
At 31 March 2021	<u>141</u>
Net book value	
At 31 March 2021	<u>141</u>
<i>At 31 March 2020</i>	<u>141</u>

During the course of the year the charity made no investments (2020: £25k) in agritech companies.

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2021

16. Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Charity registration number	Principal activity	Class of shares
The Arable Group Limited	00192460	212059	Agriculture	
TAG Consulting Limited	05110993		Agriculture	Ordinary
NIAB Trading Ltd	07390289		Agriculture	Ordinary
NIAB EMR	09894859	1165055	Horticulture	
East Malling Services Ltd.	02335037		Horticulture	Ordinary

The financial results of the subsidiaries for the year were:

Names	Income £000	Expenditure £000	Profit/ Surplus for the year £000	Net assets/ (liabilities) £000
The Arable Group Limited	385	(295)	90	113
TAG Consulting Limited	1,341	(1,309)	32	(47)
NIAB Trading Ltd	5,144	(4,321)	523	397
NIAB EMR	7,302	(5,505)	1,797	1,646
East Malling Services Ltd.	2,912	(2,886)	26	496

The Arable Group Limited and NIAB EMR are charitable companies limited by guarantee, considered to be subsidiary undertakings by virtue of control, as NIAB is the sole voting member with the power to appoint the board. TAG Consulting Limited and NIAB Trading Ltd are wholly owned by NIAB. East Malling Services Ltd. was wholly owned by NIAB EMR until 31 March 2021 when ownership was transferred to NIAB following the merger of NIAB EMR's business into NIAB.

All of the subsidiaries carry out activities in furtherance of NIAB's charitable objectives.

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**Notes to the Financial Statements
For the Year Ended 31 March 2021**

17. Stocks

	Group 2021 £000	<i>Group 2020 £000</i>	Charity 2021 £000	<i>Charity 2020 £000</i>
Raw materials and consumables	183	222	98	122
Finished goods and goods for resale	115	86	115	86
	<hr/> 298	<hr/> 308	<hr/> 213	<hr/> 208

18. Debtors

	Group 2021 £000	<i>Group 2020 £000</i>	Charity 2021 £000	<i>Charity 2020 £000</i>
Due within one year				
Trade debtors	4,040	3,020	2,367	1,291
Amounts owed by group undertakings	-	-	2,779	2,311
Other debtors	126	166	125	161
National Institute of Agricultural Botany Trust	-	284	-	284
Prepayments	572	831	441	617
Accrued income	3,327	2,953	1,425	1,481
	<hr/> 8,065	<hr/> 7,254	<hr/> 7,137	<hr/> 6,145

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

19. Creditors: Amounts falling due within one year

	Group 2021 £000	<i>Group 2020 £000</i>	Charity 2021 £000	<i>Charity 2020 £000</i>
National Institute of Agricultural Botany Trust	1	-	1	-
Trade creditors	2,103	1,486	1,803	1,145
Amounts owed to group undertakings	-	-	687	817
Other taxation and social security	813	501	741	422
Obligations under finance lease and hire purchase contracts	214	481	214	481
Other creditors	2,634	928	1,282	666
Accruals and deferred income	6,326	5,764	4,557	4,167
	12,091	<i>9,160</i>	9,285	<i>7,698</i>
	Group 2021 £000	<i>Group 2020 £000</i>	Charity 2021 £000	<i>Charity 2020 £000</i>
Deferred income at 1 April 2020	3,824	4,859	2,916	4,205
Resources deferred during the year	4,225	3,824	3,347	2,916
Amounts released from previous periods	(3,824)	(4,859)	(2,916)	(4,205)
	4,225	<i>3,824</i>	3,347	<i>2,916</i>

Deferred income for the group relates to annual membership subscriptions paid in advance, key renewal dates being 30 September and 31 December, together with pre-financing payments for EU contracts and payments received in advance for contracted services.

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**Notes to the Financial Statements
For the Year Ended 31 March 2021**

20. Creditors: Amounts falling due after more than one year

	Group 2021 £000	<i>Group 2020 £000</i>	Charity 2021 £000	<i>Charity 2020 £000</i>
Other loans	1,500	<i>1,500</i>	-	-
Net obligations under finance lease and hire purchase contracts	213	<i>238</i>	213	<i>238</i>
Other creditors	49	<i>100</i>	23	<i>23</i>
	1,762	<i>1,838</i>	236	<i>261</i>

	Group 2021 £000	<i>Group 2020 £000</i>	Company 2021 £000	<i>Company 2020 £000</i>
Obligations under finance leases and hire purchase contracts				
Within one year	214	<i>481</i>	214	<i>481</i>
Within two to five years	213	<i>238</i>	213	<i>238</i>
	427	<i>719</i>	427	<i>719</i>

The obligations under finance leases and hire purchase contracts are secured by a charge over the assets financed.

The loan of £1,500,000 is from the National Institute of Agricultural Botany Trust, a related party. Further details of this loan are disclosed in note 31.

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**Notes to the Financial Statements
For the Year Ended 31 March 2021**

21. Financial instruments

	Group 2021 £000	<i>Group 2020 £000</i>	Charity 2021 £000	<i>Charity 2020 £000</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	3,655	<i>705</i>	1,674	<i>606</i>

Financial assets measured at fair value through income and expenditure comprise foreign currency forward contracts. These are not traded in active markets and have been fair valued using observable forward exchange rates corresponding to the maturity of the contract.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by NIAB Trust and other debtors.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2021 £000
Unrestricted funds						
General funds	2,163	23,132	(21,540)	1,998	-	5,753
Pension fund	(13,987)	-	111	-	(5,349)	(19,225)
	<u>(11,824)</u>	<u>23,132</u>	<u>(21,429)</u>	<u>1,998</u>	<u>(5,349)</u>	<u>(13,472)</u>
Endowment funds						
John Oldacre Foundation	750	-	-	-	-	750
Restricted funds						
Hasse Fen Capital Fund	302	-	(60)	-	-	242
Other revenue grants	6	-	-	-	-	6
Restricted Grant income	-	8,005	(6,007)	(1,998)	-	-
	<u>308</u>	<u>8,005</u>	<u>(6,067)</u>	<u>(1,998)</u>	<u>-</u>	<u>248</u>
Total of funds	<u><u>(10,766)</u></u>	<u><u>31,137</u></u>	<u><u>(27,496)</u></u>	<u><u>-</u></u>	<u><u>(5,349)</u></u>	<u><u>(12,474)</u></u>

During the year the NIAB EMR (a subsidiary charity) received restricted grants totalling £1,998k for the purchase of specified fixed assets. Once purchased, the fixed assets form part of the unrestricted assets and a transfer has therefore been made.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

22. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 March 2020 £000</i>
Unrestricted funds						
General funds	3,698	20,975	(23,327)	817	-	2,163
Pension fund	(18,773)	-	5,141	-	(355)	(13,987)
	<u>(15,075)</u>	<u>20,97</u>	<u>(18,186)</u>	<u>817</u>	<u>(355)</u>	<u>(11,824)</u>
Endowment funds						
John Oldacre Foundation	750	-	-	-	-	750
Restricted funds						
Hasse Fen Capital Fund	362	-	(60)	-	-	302
Other revenue grants	6	-	-	-	-	6
Restricted Grant income	-	5,918	(5,101)	(817)	-	-
	<u>368</u>	<u>5,918</u>	<u>(5,161)</u>	<u>(817)</u>	<u>-</u>	<u>308</u>
Total of funds	<u><u>(13,957)</u></u>	<u><u>26,893</u></u>	<u><u>(23,347)</u></u>	<u><u>-</u></u>	<u><u>(355)</u></u>	<u><u>(10,766)</u></u>

The John Oldacre Foundation fund is an amount held as capital where only income can be spent. The expenditure is restricted to funding post-graduate studentships of young innovators.

The Hasse Fen capital fund was a grant received to build at NIAB's Hasse Fen site. The expenditure represents annual depreciation of the asset.

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**Notes to the Financial Statements
For the Year Ended 31 March 2021**

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Endowment funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	7,217	248	-	7,465
Intangible fixed assets	980	-	-	980
Trade investments	141	-	-	141
Current assets	11,268	-	750	12,018
Creditors due within one year	(12,091)	-	-	(12,091)
Creditors due in more than one year	(1,762)	-	-	(1,762)
Defined benefit pension scheme liability	(19,225)	-	-	(19,225)
Total	(13,472)	248	750	(12,474)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>Endowment funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Tangible fixed assets	4,684	308	-	4,992
Intangible fixed assets	819	-	-	819
Trade investments	141	-	-	141
Current assets	7,517	-	750	8,267
Creditors due within one year	(9,160)	-	-	(9,160)
Creditors due in more than one year	(1,838)	-	-	(1,838)
Defined benefit pension scheme liability	(13,987)	-	-	(13,987)
Total	(11,824)	308	750	(10,766)

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £000	<i>Group 2020 £000</i>
Net income for the year (as per Statement of Financial Activities)	3,641	3,544
Adjustments for:		
Depreciation charges	1,434	1,217
Amortisation charges	88	104
Profit on the sale of fixed assets	(18)	(55)
Decrease/(increase) in stocks	10	(4)
Decrease/(increase) in debtors	(811)	311
Increase/(decrease) in creditors	3,147	(39)
Interest payable	45	70
Pension contributions	(111)	(317)
Pension - past service cost	-	(4,824)
Net cash provided by operating activities	7,425	7

25. Analysis of cash and cash equivalents

	Group 2021 £000	<i>Group 2020 £000</i>
Cash in hand	3,655	705
Total cash and cash equivalents	3,655	705

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

26. Analysis of changes in net debt

	At 1 April 2020 £000	Cash flows £000	At 31 March 2021 £000
Cash at bank and in hand	705	2,950	3,655
Debt due within 1 year	-	(1)	(1)
Debt due after 1 year	(1,500)	-	(1,500)
Finance leases	(719)	292	(427)
	<u>(1,514)</u>	<u>3,241</u>	<u>1,727</u>

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2021

27. Pension commitments: Defined Benefit schemes

(A) NIAB Defined Benefit Pension Scheme

NIAB operates a defined benefit pension scheme which was established on 1 April 1996. The assets of this scheme are held in a separate fund controlled by trustees. The scheme was closed to future benefit accrual on 31 July 2007.

The most recent actuarial valuation of the Scheme was carried out as at 31 March 2015. The valuation has been updated to 31 March 2018 by a qualified independent actuary.

NIAB expects to contribute £700,000 to its defined benefit pension scheme in 2021/22 (2020/21: £700,000).

The amounts recognised in the balance sheet are as follows:

	2021 £000	2020 £000
Present value of funded obligations	(50,033)	(43,939)
Fair value of plan assets	30,808	29,952
Deficit	<u>(19,225)</u>	<u>(13,987)</u>

Included in the deficit is £Nil (2020- £Nil) which is a provision for Guaranteed Minimum Pension equalisation.

As part of the recent funding negotiations the Pension Fund Trustees and the charity agreed that, from 1 April 2020 onwards, pensions in payment will now increase in line with CPI rather than RPI. Increases will continue to be capped at 5% pa for pensions accrued pre 1 April 2006 and 2.5% pa for pensions accrued thereafter. That change has resulted in a reduction in the present value of the defined benefit obligation. The amounts recognised in the net income and expenditure are as follows:

	2021 £000	2020 £000
Administration costs incurred during the period	303	376
Net interest cost	303	400
Past service cost	-	(4,824)
Total pension expense	<u>606</u>	<u>(4,048)</u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

**27. Pension commitments: Defined Benefit schemes
(continued)**

The amounts in the statement of other movements in funds are:

	2021 £000	2020 £000
Actuarial gain/(loss) on plan assets	1,401	(116)
Actuarial (loss) on defined benefit obligation	(6,750)	(239)
of which due to experience	575	422
of which due to demographic assumptions	63	(63)
of which due to financial assumptions	(7,388)	(598)
Total (loss) in other movements in funds	(5,349)	(355)

Changes in the present value of the defined benefit obligations are:

	2021 £000	2020 £000
Liabilities at the start of the period	43,939	48,637
Interest cost	949	1,140
Actuarial gain	6,750	239
Benefits paid	(1,605)	(1,253)
Past service cost	-	(4,824)
Liabilities at the end of the period	50,033	43,939

Changes in the fair value of plan assets are:

	2021 £000	2020 £000
Fair value of plan assets at start of the period	29,952	29,864
Interest income	646	740
Actuarial gain/(loss)	1,401	(116)
Contributions by the employer	717	1,093
Benefits paid	(1,605)	(1,253)
Non-investment expenses	(303)	(376)
Fair value of plan assets at end of the period	30,808	29,952

	2021 £000	2020 £000
Interest income	646	740
Actuarial gain/(loss) on plan assets	1,401	(116)
Return on plan assets	2,047	624

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

**27. Pension commitments: Defined Benefit schemes
(continued)**

Major categories of plan assets as a percentage of total assets

	2021 £000	2021 %	2020 £000	2020 %
Equities	6,553	21.3	4,854	16.2
Diversified Growth Fund	10,832	35.1	9,209	30.7
Bonds	7,723	25.1	8,949	29.9
Cash	5,700	18.5	6,940	23.2
Total	30,808	100.0	29,952	100.0

Principal actuarial assumptions at the balance sheet date:

	2021	2020
Discount rate	2.0%	2.2%
Rate of increase in salaries	2.7%	2.0%
Rate of increase in pensions	2.7%	2.1%
Rate of inflation RPI	3.3%	2.8%
Rate of inflation CPI	2.7%	2.0%
Life expectancies:		
Current pensioners age 65 - males	21.8	21.8
Current pensioners age 65 - females	24.1	24.1
Future pensioners age 65 (currently age 45) - males	22.8	22.8
Future pensioners age 65 (currently age 45) - females	25.3	25.2

Experience of gains and losses

	2021 £000	2020 £000
Liabilities at the end of the year	(50,033)	(43,939)
Assets at the end of the year	30,808	29,952
Deficit at the end of the year	(19,225)	(13,987)
Asset (loss)/gain	1,401	(116)
% of scheme assets	4.5%	-0.4%
Liability gain/(loss)	(6,750)	239
% of scheme assets	-13.5%	-0.5%

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

**27. Pension commitments: Defined Benefit schemes
(continued)**

(B) Universities Superannuation Scheme

	2021 £'000	2020 £'000
Liability less than 1 year	3	2
Liability more than 1 year	26	36
Total	<u>29</u>	<u>38</u>

The USS pension scheme is only available to certain of the employees of The Arable Group Limited. Since that charity cannot identify its share of the assets and liabilities of the USS scheme, the following disclosures have been provided by the pension scheme to reflect those relevant for the scheme as a whole.

Universities Superannuation Scheme (USS)

Following changes to the USS, this scheme now comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement. The latest formal actuarial valuation of the USS defined benefit liabilities has been carried out as at 31 March 2018 to meet the requirements of the Pensions Act 2004 and was published in September 2019. This actuarial valuation shows a shortfall of £3.6bn in the USS with the scheme assets being sufficient to cover 95% of its 'technical provisions' liabilities.

Based on this valuation the actuary has determined that USS funding rates will increase from the current total of 26% of salaries (employer 18%, employee 8%) to 34.7% of salaries (employer 23.7%, employee 11.0%) in stages up to 1 October 2021. These contribution rates include:

- provisions for the employer cost of future accruals of DB benefits,
- contributions of 2% from 1 October 2019 increasing to 6% from 1 October 2021 towards the correction of the DB past service deficit,
- contributions of 0.4% to cover certain administrative expenses and PPF levies, and
- the employer contributions towards DC benefits.

The past service deficit contributions are expected to correct the deficit by 30 June 2028 if experience is borne out in line with the assumptions made for the recovery plan. To reflect the liability for these contributions the Institute has used a financial modeller to calculate the provision it needs to recognise in the financial statements. The calculated amount is recognised in the balance sheet and any changes in the value of the deficit liability each year are shown on the Statement of Financial Activities. The assumptions used as part of this modelled for the year ended 31 March 2021 are shown below.

Further details on, and a copy of, the 2018 Actuarial Valuation of the USS can be found on the USS website.

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

**27. Pension commitments: Defined Benefit schemes
(continued)**

Further information on the 2018 actuarial valuation of the USS Scheme is included below.

Of The Arable Group Limited's 4 employees at 31 March 2021 (2020: 5), 1 was a member of USS (2020: 2).

The Arable Group Limited's calculated share of the USS defined benefit pension liability amounts to £29k (2020: £38k) and the total cost charged to the Statement of Financial Activities in respect of USS amounts to £8k (2020: £16k).

The liability has been re-calculated using the USS model provided with reference to the remaining deficit recovery period of 10 years from 2018 to 2028. Since the group cannot identify its share of the assets and liabilities of the USS scheme, the following disclosures have been provided by the pension scheme to reflect those relevant for the scheme as a whole.

The following assumptions were used to calculate the group's share of the USS liability:

	2021	2020
Discount rate	2.3%	2.3%
Projected salary inflation	2.7%	2.7%

Salary inflation assumptions take into account the level of annual pay increases set in the April before the relevant year-end, prevailing CPI rates, and the Bank of England long-term inflation target of 2%. The calculation reflects an assumption that there would be some reduction in member numbers in the forward years. The assumptions underpinning the calculation reflect a prudent assessment of the available information and options but represents a key area of estimation uncertainty in the financial statements.

Analysis of the charge to the income and expenditure statement is set out below:

	2021 £'000	2020 £'000
Employer contributions	17	22
Contributions allocated to deficit provision	(1)	1
Change in contributions from past expectations	(9)	(9)
Contribution costs total	7	14
Interest payable	1	2
Pension costs total	8	16

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2021	2020
Discount rate	2.3%	2.3%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.7%	2.7%

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

**27. Pension commitments: Defined Benefit schemes
(continued)**

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions are based on the following mortality tables:

	2018	Pre-retirement	Post-retirement
Male members mortality		71% of AMC00 (duration 0)	97.6% of SAPS S1NMA "light"
Female members mortality		112% of AMFG00 (duration 0)	102.7% of RFV00 (duration 0)
	2017		
Male members mortality		98% of S1NA ("light" YoB tables - No age rating	
Female members mortality		99% of S1NA ("light" YoB tables - rated down 1 year No age rating	

Future improvements to mortality are based on the Continuous Mortality Investigation's (CMI) 2017 projections with smoothing parameter of 8.5 and a long-term improvement rate of 1.8% for males and 1.6% for females.

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 years	24.4	24.4
Females currently aged 65 years	26.3	26.3
Males currently aged 45 years	25.9	25.9
Females currently aged 45 years	27.7	27.7

Summary of the Scheme position as at 31 March is set out below:

	2021	2020	2019
Scheme assets	£80.6bn	£66.5bn	£67.4bn
Total scheme liabilities	£95.8bn	£79.4bn	£72.8bn
FRS102 Total scheme deficit	£15.2bn	£12.9bn	£5.4bn
FRS102 Total funding level	84%	84%	93%

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

28. Operating lease commitments

At 31 March 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Not later than 1 year	745	<i>818</i>	734	<i>393</i>
Later than 1 year and not later than 5 years	1,616	<i>710</i>	1,616	<i>429</i>
	2,361	<i>1,528</i>	2,350	<i>822</i>

The following lease payments and changes in lease payments have been recognised in the Statement of Financial Activities:

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Land and Buildings	728	<i>760</i>	267	<i>272</i>
Motor vehicles	180	<i>220</i>	135	<i>173</i>
	908	<i>980</i>	402	<i>445</i>

29. Capital commitments

Improvements to the charity's Hasse Fen site costing £600k were completed in April 2021. The works remained the property of the supplier until paid for. As the invoice was not received and settled until May 2021, the additions will be reflected in the accounts for the year to 31 March 2022.

30. Members' liability

The charitable company is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 March 2021 there were eleven members, comprising the Trustees.

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

31. Related party transactions

In the ordinary course of business the company entered into transactions with National Institute of Agricultural Botany Trust. The company has a close relationship with National Institute of Agricultural Botany Trust, which has an object to support NIAB.

During the course of the year NIAB is charged a facilities charge for the occupation of the land and buildings owned by the Trust, and the Trust receives a charge from NIAB relating to the Research Funding Agreement between the two parties. These transactions will be represented by both cash and non-cash, due to accruals made for activities at the end of the financial year.

These transactions are summarised below:

	2021	<i>2020</i>
	£000	<i>£000</i>
Closing (creditor)/debtor	(1)	<i>284</i>
Annual support	1,125	<i>1,125</i>
Additional support towards pension costs	500	<i>700</i>
Contribution towards other costs	-	<i>128</i>
Expenditure	(500)	<i>(500)</i>

In 2017 NIAB EMR, a subsidiary company, obtained a loan of £1,500,000 from National Institute of Agricultural Botany Trust. This loan is secured by a first fixed and floating charge on the assets of NIAB EMR and, while there is no fixed repayment timetable, the loan is repayable in full by 8 February 2026. Interest is charged at 2% above the Bank of England base rate, which is considered to be a market value.

The charitable company has taken advantage of the exemptions contained within FRS102, section 33, not to disclose intra-group transactions on the basis that the subsidiaries are wholly owned and the accounts are publicly available.

32. Post balance sheet events

On 1 April 2021 the business, assets and liabilities of NIAB EMR (a subsidiary) were merged into the parent company, NIAB.

33. Parent charity result

The parent charity result for the year before other recognised gains and losses and before charges or credits to the pension fund cost was a profit of £1,207k (2020: loss £788k).

NIAB

England & Wales - Charity number 1064230

Accounts

NIAB

Trustees' Report and Financial Statements

For the Year Ended 31 March 2020

NIAB

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NIAB

Reference and Administrative Details of the Charity, its Trustees and Advisers For the Year Ended 31 March 2020

Trustees	J E Godfrey, Chairman Dr T L Barsby OBE, Chief Executive S J Ellwood K E Fidgeon J R Harle Dr N Kerby MBE Dr C A Lang R C Lowson I J Puddephat R A Macdonald CBE, Deputy Chairman Professor Dr A G Smith
Company registered number	3395389
Charity registered number	1064230
Registered office	93 Lawrence Weaver Road Cambridge CB3 0LE
Company secretary	S C Masson
Chief executive officer	Dr T L Barsby OBE
Independent auditors	Crowe U.K. LLP Statutory Auditor 55 Ludgate Hill London EC4M 7JW
Bankers	Barclays Bank PLC 1 Churchill Place Canary Wharf London E14 5HP

NIAB

**Reference and Administrative Details of the Charity, its Trustees and Advisers (continued)
For the Year Ended 31 March 2020**

Solicitors

Birketts LLP
22 Station Road
Cambridge
CB1 2JD

Gowling WLG (UK) LLP
4 More, London Riverside
London
SE1 2AU

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT

STRATEGIC REPORT

Background

NIAB is at the centre of innovation in agricultural and horticultural crop sciences.

The National Institute of Agricultural Botany was founded by Deed of Trust in 1919. It was regulated by a scheme made by the Secretary of State for Education and Science until 1998, when a new structure was agreed which saw the formation of two charities which would operate in tandem. NIAB was formed to conduct the charitable operations. The National Institute of Agricultural Botany Trust provide land, facilities and financial support to NIAB, which the Trust determine is the preferred vehicle to deliver its charitable activities. NIAB controls two other charities: The Arable Group Limited and NIAB EMR.

Building on a longstanding international reputation for expertise in plant varieties and seeds, NIAB's scientific capabilities span the crop improvement pipeline; from underpinning research required to develop higher yielding more climate resilient crops, through to the extensive trials data, agronomy expertise and advice needed to ensure these advances are transferred effectively to the wider industry.

Mission and Vision

Our mission is to conduct high-quality strategic and applied research in agricultural, horticultural and environmental sciences, and to deliver knowledge, products and services that benefit public and private customers.

Our vision is to connect the science base and industry by providing an integrated research and knowledge transfer hub for the entire crop improvement pipeline, with a clear focus on improving the productivity, quality and resource use efficiency of crop production.

Strategy

A central objective of NIAB's research activity is to bridge the gap between the basic understanding of plant science and the ability to apply that knowledge in practice.

NIAB has the specialist knowledge, skills and facilities required to support improved crop production, to evaluate variety performance and quality in the field, to conduct agronomy research and to ensure the benefits of new knowledge and genetic potential are transferred on to farm and into the food industry which depends on productive agriculture.

The integration of the latest advances in data science alongside expertise in crop pre-breeding, agronomy and farming systems is key to unlocking a step-change improvement in UK crop production and product quality. NIAB's intention is to be at the forefront of crop innovation and to lead a step change in crop productivity, whether through the increased application of bioinformatics in bringing new genetics to the market place, or through the combination of data science and agronomy to target on-farm production directly.

NIAB's research activities are increasingly part of global partnerships as the science relevant to UK agriculture finds equal application in other countries and is particularly relevant to developing economies.

Public Benefit

The need for innovation in plant breeding and agronomy has never been greater. With climate change and a growing population, food security issues are a global concern. Crop science and technology have a vital role to play in boosting productivity, conserving resources and coping with climate change.

NIAB seeks to:

- advance science for public benefit, primarily through the support of crop research and development, publishing academic papers and delivering practical solutions, working with a network of scientific partnerships and collaborations with leading academic, research and commercial organisations in the UK, Europe and the rest of the world;
- demonstrate how plant resources and crop genetic improvement can help address the major global challenges of sustainable use of resources, climate change, food security and the provision of high quality food to enhance health and nutrition
- promote agriculture, horticulture and arboriculture anywhere in the world.

The Trustees are satisfied they have complied with their duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. Based on this guidance, and as described in this Trustees' report, the Trustees believe the activities of NIAB to be charitable in nature.

Performance

Our performance against the 2019/20 objectives is highlighted in the table below:-

Objectives	Performance
<p>Completion of the current phase of development at Cambridge, occupy and utilise the facilities to increase the scientific output of the organisation. Work with the East Malling Trust to secure the development of new facilities at East Malling.</p>	<p>The Park Farm development was completed in June 2019 and activities transferred into that facility. The new HQ site at Lawrence Weaver Road was also completed, the old HQ building cleared and all staff and activities moved into new facilities by the end of February 2020.</p> <p>With the support of the East Malling Trust who pledged matched financial support, NIAB submitted a successful bid to the UK government's 'Strength in Places' fund. As well as providing updated facilities at East Malling, it will bring together local businesses and Universities in growth projects based on horticultural science under the leadership of NIAB EMR.</p>
<p>Review the strategy for NIAB and develop a five year plan for 2020 to 2025.</p>	<p>Each business area has developed a five year plan, and these have been consolidated into an overall five year strategy for final approval by Trustees.</p>
<p>With Cambridge University, establish the new Crop Science Centre. In collaboration with the Professor of Crop Science, develop the science and funding strategy, secure first funds and commence recruiting leadership positions.</p>	<p>The Crop Science Building, leased to the University by the NIAB Trust and located adjacent to NIAB's HQ, was completed during this year.</p> <p>The science strategy has been set, focussing on three pillars: nutrition, pests and disease, and photosynthesis (carbon capture). Recruitment and bids for funds will commence in 21/22.</p>
<p>Protect and release 2 new fruit varieties.</p>	<p>Plant variety rights applications were filed for a new early plum variety and an everbearer strawberry.</p>
<p>Develop our collaborations with agritech SMEs, to the benefit of our wider stakeholder base.</p>	<p>The 'Meeting of Minds' programme to link NIAB scientists with SMEs has continued. NIAB has participated in early stage funding of SMEs through its participation in the syndicate Cambridge Agritech. NIAB completed an application for funding to the Cambridge and Peterborough Combined Authority which resulted in the award of funds to the NIAB Trust to build an incubator (labs and offices) to house agritech SMEs.</p>
<p>In the context of changes to existing arrangements as a result of Brexit, to work with others to retain a UK system for the evaluation of Plant Breeders Rights.</p>	<p>For the time being, it appears that the UK will remain aligned with the European system and retain similar Plant Breeders Rights arrangements.</p>

Objectives for 2020/21

NIAB is addressing the following objectives for the year to 31 March 2021:-

- **Covid-19**
Towards the end of the 2019/20 year Covid-19 arrived as a global pandemic. The principle objective for the period then became ensuring business continuity. This needs to remain a focus as the effect of the pandemic is still not clear. More details on NIAB's response to the pandemic is contained in the Risk Assessment and Management section of this report.
- Review the 5 year plan incorporating the effects of the Covid-19 epidemic, with a focus on financial stability. Financial stability will be achieved through a mix of increased efforts on income generation alongside cost cutting, including staff costs.
- Develop new facilities at East Malling.
- Merge the subsidiary charity NIAB EMR into NIAB.
- Officially launch the Crop Science Centre, the alliance with the University of Cambridge, recruit science leaders, and secure new sources of funds.
- Apply for Plant Variety Rights for two new fruit varieties.
- Complete the construction of the agritech incubator Barn 4, and secure first SME occupants.
- Work with Defra to establish future needs for NIAB statutory services post-Brexit.

FINANCIAL REVIEW

Income

The total incoming resources for the group were £26,894k (2019: £27,916k). A total of £10,308k related to Agricultural Services (2019: £10,144k); £7,490k relating to Laboratory and Research (2019: £8,172k). The income relating to commercial trading operations totalled £7,124k (2019: £7,546k). The group does not carry out fundraising activities.

Expenditure

The total outgoing expenditure was £28,152k (2019: £27,874k).

Capital Expenditure

The charity funded the capital purchases from both restricted (grants) and unrestricted income. The total group spend was £2,142k (2019 £1,464k).

Business Review and key performance indicators

NIAB continues to review the most appropriate Key Performance Indicators by which the development, performance or position of the various elements of its operations can be effectively measured.

The following Key Performance Indicators (KPIs) have been reviewed for the group: -

	2020	2019
Charitable Income	£18,867k	£18,352k
Staff Costs	£15,182k	£15,187k
Average Staff Numbers	351	355
Turnover per head	£76.63k	£78.6k

The Charitable Income is a measure of the charity’s ability to secure sufficient income to maintain a sustainable research facility. The staff costs and average staff numbers are also an important measure.

Going Concern

The trustees have acknowledged the guidance on going concern and financial reporting published by the Financial Reporting Council in 2016.

The Group’s operating activities are diverse. Research and development in Crop Genetics, Computational Biology, Plant Breeding and Plant Characterisation are supported by long-term contracts and competitively won research grants which, historically, have been largely unaffected by changes in the general economy. Crop Agronomy, Membership, Training and Seed Certification activities are generally contracted on an annual basis, and are supported by a diverse customer base. Income has been stable over a number of years.

The Group balance sheet shows a deficit position of £10,766k. Taking out the Restricted and Endowment funds leaves an Unrestricted deficit of £11,824k. Stripping out the

pension scheme deficit £13,987k (discussed in more detail below), the long term debt to the NIAB TRUST of £1,500k and Fixed Assets (Tangible plus Intangible) plus Trade investments in total within Unrestricted funds of £5,644 leaves a negative underlying unrestricted reserve of £1,981k as described in the Reserves policy in this report.

One of the key objectives as noted above for the year is a review of the 5 year plan incorporating the effects of the Covid-19 pandemic, with a focus on financial stability. This is in process of being achieved through a mix of increased efforts on income generation alongside cost cutting including staff costs in a redundancy exercise carried out in July 2020.

NIAB has undertaken an exercise of reviewing income and planned expenditure including financial and cashflow projections to forecast how various outcomes might affect NIAB’s operations in 2021, taking into account the risk of decreased income from various sources. The results of the scenario planning have been used as a basis from which to formulate a model for strategic planning.

A key component of the revised 5 year plan is to create surpluses through growth, cost savings and improved margins on services and products. At the time of writing this report, the forecasts for 2020/21 is for a modest surplus based on the actual results to September 2020 and new income secured for the remainder of 2020/21. Similarly there is a surplus projected for 2021/22.

A component of the financial risk to NIAB is the pension scheme. The NIAB (1996) Pension Scheme (‘Scheme’) was established in 1996 following NIAB’s separation from government and establishment as a not-for-profit. The Board have taken steps to manage the Scheme deficit, closing the Scheme to new members in 2001 and to future accrual in 2007.

The National Institute of Agricultural Botany Trust (‘TRUST’ Charity No. 1144528) was established at the same time as NIAB, and holds the property assets of the previously government-owned institution.

The TRUST was established with similar charitable objects to NIAB and fulfils its charitable objects through the provision of support to NIAB.

The Trust is a participating employer in the Scheme with NIAB. This means that the entire deficit liability of the pension scheme is shared with the TRUST, and the assets of the TRUST support NIAB’s balance sheet in providing the employer covenant, and the recovery payments agreed under the recovery plan.

A key component of the review of going concern, given other uncertainties, is the support from the NIAB TRUST.

The TRUST has a balance sheet value of in excess of £40m. It has confirmed that it will continue to support NIAB and provide funding and lending sufficient to ensure NIAB remains a going concern. The funding includes ongoing funding for research and facilities and contributions to the pension scheme recovery payments. The lending is in the form of an 'overdraft' facility which can be used by NIAB to manage working capital fluctuations in year of up to £2m.

The trustees have considered the following in arriving at their conclusions on going concern: -

1. The cash flow forecast and latest management accounts, which give confidence that NIAB can continue to pay its debts as they fall due.
2. The TRUST's continued support to NIAB through the provision of facilities and funding and borrowing support.
3. The Trust being a participating employer alongside NIAB in the Pension Scheme.

After making enquiries and considering the uncertainties described above, the trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Subsidiaries and related parties

NIAB has two wholly owned subsidiaries, NIAB Trading Ltd and TAG Consulting Ltd, both of which gift aid their profit to NIAB. NIAB EMR and The Arable Group Limited are both charitable companies limited by guarantee. In both cases NIAB, as the sole voting member, has the power to appoint the Trustee Board of NIAB EMR and The Arable Group Limited and they are therefore considered to be subsidiary undertakings by virtue of control. NIAB EMR also has a wholly owned subsidiary, East Malling Services Limited.

NIAB has an important relationship with the National Institute of Agricultural Botany Trust, which has an object to support NIAB in pursuit of its objects. This includes the provision of land and facilities.

Reserves Policy

The Trustees have reviewed the reserves of the group. The review encompassed the nature and reliability of the income and nature and level of commitment of expenditure streams. They have also considered the financial risks, the need to match variable income with fixed commitments, and the nature of the current reserves.

On a risk based analysis the Trustees have concluded that their aim is to achieve a general reserve equivalent to between two and four and a half month's worth of unrestricted fund expenditure. At the current annual spend, the reserves target is therefore between £4m and £9m.

At 31 March 2020 group unrestricted reserves excluding fixed assets and pensions liability and the long term loan from the NIAB Trust, were negative £1,981k (2019: positive £443k). The Trustees are in the process of reviewing a 5 year plan, a key component of which will be to create surpluses through growth, cost savings and improved margins on services and products, thereby increasing the general reserves position to bring it back to positive and then moving towards the target range. At the time of writing this report, the forecast for 2020/21 was for a modest surplus.

In the meantime the Trustees continue to monitor closely the financial position of the group, including forecasts and cash flow projections, to ensure they can demonstrate the ongoing ability of the group to be able to pay its debts as they fall due.

Accounting Period

The financial year end is 28 March 2020, however the financial statements continue to be drawn up to 31 March 2020 as permitted by section 390(3) of the Companies Act 2006.

RISK ASSESSMENT AND MANAGEMENT

The Board of Trustees is responsible for ensuring there are effective and adequate risk management and internal control systems in place to manage the major risks to which the Charity is exposed. The Board reviews the risk register at each meeting.

Principal Risks and Uncertainties

Risk Area	Risk	Management
Covid-19	On site infection of staff or visitors Loss of income Access to property to carry out activities Loss of key staff	The Trustees adopted a policy covering hygiene and social distancing Monitoring of government guidelines and implementation of local rules regarding hygiene and social distancing Use of government furlough scheme Early and ongoing discussion with key funders Regular and frequent Executive meetings and staff communications Risk assessments for utilisation of buildings and carrying out of activities and for return to work by employees Change in delivery of activities e.g. in the field, running online seminars and events Buildings remaining open but with flexibility (opening times, one-way system, provision of PPE, cleaning facilities, risk assessments) Support of remote working
Strategy / Process	Failure to deliver the business plan	The CEO and Executive team remain focused on the actions required to deliver the Business Strategy and Annual Business Plan, whilst ensuring the short-term focus on the Business Continuity plan.
Strategy / Process	Pressure on organisational structure during management of capital programmes and move to new facilities at Cambridge.	Completion of the move to the new facilities at Cambridge through the implementation of a structured plan was implemented without distraction of the Executive team from the business strategy.
Financial	Pension Scheme deficit	Discussions with the Pension Scheme trustees at Board level. NIAB TRUST as participating employer in the scheme, improving the employers covenant.

Financial	Loss of work as a result of Brexit	<p>Seek to mitigate the income loss (circa £700K) for statutory work as a result of Brexit, by re-deploying expertise on new activities, and working with other stakeholders to safeguard the UK system of Plant Breeders Rights. It is impossible to quantify the full impact until Brexit negotiations have concluded.</p> <p>Seek opportunities for new statutory work for the UK outside of Europe.</p>
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STRUCTURE, GOVERNANCE and MANAGEMENT

Members and Board of Trustees

The Board of Trustees comprises the Chair and up to eleven additional trustee directors. The trustees are also the members of the organisation.

The Board has established the following sub-committees:

- Finance (1)
- Nominations and Remunerations (2)

The following Trustees have served during the period:

J E Godfrey, OBE	1	Chairman
T L Barsby, OBE, BSc, PhD		
S J Ellwood, BSc	1	
K E Fidgeon, FCA	1	
J R Harle		
N Kerby, MBE, BSc, PhD	1	
C A Lang, BA, PhD	2	
R A Macdonald, CBE, BSc	2	Deputy Chairman
R C Lowson		
Professor I J Puddephat, BSc PhD		
Professor A G Smith BSc, MPhil, PhD	2	

Recruitment, induction and training of Trustees

NIAB recruits trustees with the relevant skillset to support the charity's activities. An induction programme has been put in place for newly appointed trustees and is kept under review and updated where appropriate. In addition, trustees are in regular contact with the Chief Executive and executive team, and receive updates on key areas of activity.

Organisation and governance

The trustees have used the UK Charity Governance Code to measure the performance of the board and its structure. The Trustees through the its Nominations Committee regularly review the skills matrix of the board and make annual recommendations to the full board prior to the AGM in respect of membership and performance of the board. Improving governance is an ongoing work and the Trustees will continue to develop the group's governance structure.

NIAB is incorporated in England and Wales and is a company limited by guarantee (registered number 03395389) and a registered charity (number 1064230). It is governed by its Memorandum and Articles of Association which were last amended 20 May 2020.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

Trustee Remuneration

NIAB provides an honorarium for the Chairman of the Board, the Deputy Chairman and the Chairman of the Finance Committee. In addition to this, a per diem fee is payable to qualifying trustees.

Decision making and key management

The Board of Directors (Trustees) administer the company, and meet quarterly. A Chief Executive Officer is appointed by the Trustees to manage the day to day operations of the company. To facilitate effective operations the Chief Executive and Executive Team have delegated authority, within the terms of delegation approved by the Board, for all operational matters.

The key management personnel are appointed by NIAB's Chief Executive; they have authority and responsibility for planning, directing and controlling the activities of the NIAB Group. The nominations and remunerations committee consider the pay for key management personnel in the context of the overall company pay review, and the benchmarking of similar roles within BBSRC institutes and industry.

Employees

The average number of employees for the period was 351 (2019: 355). A policy of equal opportunity is pursued throughout, including the treatment of applications for employment from people who may be disabled, taking account only of the qualifications and abilities of each individual. Should any employee become disabled during the course of employment every effort would be made to retain that person's services and to provide necessary re-training.

NIAB and its trustees engage with its employees through regular meetings and consultations with the representatives from the Prospect and Unite unions.

Continuing education and training is regarded as vital for the continuance of the charity's work, and assistance to this end is provided to a significant number of employees.

Liability Insurance

The trustees have effected liability insurance as permitted by the company's Articles. This insurance does not provide cover in the event that a trustee is proved to have acted fraudulently or dishonestly.

STATEMENT OF TRUSTEES RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The trustees (who are also directors of NIAB for the purposes of company law) are responsible for preparing the Trustees Report, incorporating the Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom General Accepted Accounting Practise (United Kingdom accounting standards and applicable law), including FRS102, the financial reporting standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless that they are satisfied that they give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the auditors are unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

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

Independent Auditors

A resolution to reappoint Crowe UK LLP, Chartered Accountants, will be put to the members at a General Meeting, in accordance with section 485 of the Companies Act 2006.

The trustees approve the Trustees Report, incorporating the Strategic Report, and financial statements which are signed on behalf of the Board of Trustees of NIAB.



J E Godfrey, Chairman
Date: 8 December 2020

Independent Auditors' Report to the Members of NIAB

Opinion

We have audited the financial statements of NIAB (the "parent charitable company") and its subsidiaries (the "group") for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity balance sheets, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditors' Report to the Members of NIAB (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditors' Report to the Members of NIAB (continued)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement set out on page 11, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

N. Hashemi

Naziar Hashemi (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill

London

EC4M 7JW

Date: 18 December 2020

NIAB

**Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 March 2020**

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Endowment funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
	Note					
Income and endowments from:						
Donations and legacies	3	828	-	-	828	1,950
Charitable activities	4	12,949	5,918	-	18,867	18,352
Other trading activities	5	7,124	-	-	7,124	7,546
Investments	6	74	-	-	74	68
Total income and endowments		20,975	5,918	-	26,893	27,916
Expenditure on:						
Trading activities		7,730	-	-	7,730	7,226
Charitable activities:	7	15,261	5,161	-	20,422	20,648
Pension - past service cost		(4,803)	-	-	(4,803)	-
Total expenditure		18,188	5,161	-	23,349	27,874
Net income		2,787	757	-	3,544	42
Transfers between funds	22	817	(817)	-	-	-
Net movement in funds before other recognised gains/(losses)		3,604	(60)	-	3,544	42
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes		(355)	-	-	(355)	(1,265)
Net movement in funds		3,249	(60)	-	3,189	(1,223)
Reconciliation of funds:						
Total funds brought forward		(15,075)	368	750	(13,957)	(12,734)
Total funds carried forward		(11,824)	308	750	(10,766)	(13,957)

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 58 form part of these financial statements.

NIAB
Registered number: 3395389

Consolidated Balance Sheet
As at 31 March 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Intangible assets	13		819		923
Tangible assets	14		4,992		4,084
Investments	15		141		116
			5,952		5,123
Current assets					
Stocks	17	308		304	
Debtors	18	7,254		7,565	
Cash at bank and in hand		705		2,607	
		8,267		10,476	
Creditors: amounts falling due within one year	19	(9,160)		(8,858)	
Net current (liabilities)/assets			(893)		1,618
Total assets less current liabilities			5,059		6,741
Creditors: amounts falling due after more than one year	20		(1,838)		(1,925)
Net assets excluding pension liability			3,221		4,816
Defined benefit pension scheme liability	27		(13,987)		(18,773)
Total net (liabilities)			(10,766)		(13,957)
Charity funds					
Endowment funds	22		750		750
Restricted funds	22		308		368
Unrestricted funds	22		(11,824)		(15,075)
Total funds			(10,766)		(13,957)

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



J E Godfrey

Date: 8 December 2020

The notes on pages 19 to 58 form part of these financial statements.



Dr T L Barsby OBE

CHARITY BALANCE SHEET
As at 31 March 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible assets	14		3,912		3,083
Investments	15		141		116
			4,053		3,199
Current assets					
Stocks	17	208		217	
Debtors	18	6,145		7,467	
Cash at bank and in hand		606		1,538	
		6,959		9,222	
Creditors: amounts falling due within one year	19	(7,698)		(7,968)	
Net current liabilities / assets			(739)		1,254
Total assets less current liabilities			3,314		4,453
Creditors: amounts falling due after more than one year	20		(261)		(295)
Net assets excluding pension liability			3,053		4,158
Defined benefit pension scheme liability	27		(13,987)		(18,773)
Total net assets			(10,934)		(14,615)
Charity funds					
Endowment funds	22		750		750
Restricted funds	22		308		368
Unrestricted funds	22		(11,992)		(15,733)
Total funds			(10,934)		(14,615)

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



J E Godfrey



Dr T L Barsby OBE

Date: 8 December 2020

The notes on pages 19 to 58 form part of these financial statements.

NIAB

**Consolidated Statement of Cash Flows
For the Year Ended 31 March 2020**

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash used in operating activities	24	7	2,829
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		73	28
Purchase of tangible fixed assets		(2,142)	(1,464)
Purchase of investments		(25)	(5)
Net cash used in investing activities		(2,094)	(1,441)
Cash flows from financing activities			
Cash inflows from new borrowing		429	392
Repayments of borrowing		(174)	(263)
Interest paid		(70)	(56)
Net cash provided by financing activities		185	73
Change in cash and cash equivalents in the year		(1,902)	1,461
Cash and cash equivalents at the beginning of the year		2,607	1,146
Cash and cash equivalents at the end of the year	25	705	2,607

The notes on pages 19 to 58 form part of these financial statements

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

1. General information

NIAB is a company limited by guarantee incorporated in England and Wales and a registered charity. The registered office of the charity is Huntingdon Road, Cambridge, CB3 0LE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

NIAB meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Fund accounting

General unrestricted funds represent income which is expendable at the discretion of the Board in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose.

Endowment funds relate to gifts to NIAB, the terms of which stipulate that the capital may not be spent, and the income is to be utilised towards a specific restriction imposed by the donor.

Investment income, gains and losses are allocated to the appropriate fund.

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

2. Accounting policies (continued)

2.3 Incoming resources

Income has been analysed in accordance with the service provided.

Income from charitable activities:

Incoming resources from charitable activities are accounted for in the year in which the service is provided.

Trading activities:

Commercial trading operations represent the income from the charitable company's trading subsidiaries – TAG Consulting Limited, NIAB Trading Ltd and East Malling Services Limited – and is included in incoming resources when the group becomes entitled to receipt.

Investment income:

Interest is included when receivable by the group.

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

2.4 Accrued and deferred income

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned (as the related services are provided). This may mean accruing for invoices not yet raised, and deferring payments received in advance of work done

2.5 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the group to the expenditure. Expenditure is allocated as follows:

Charitable Activities:

Expenditure incurred directly in the fulfilment of the objects of the charity including allocated overheads.

Support costs:

Support costs which include central office functions such as general management, finance, information technology and human resources are allocated across categories of expenditure. The basis of the cost allocation has been explained in note 8 to the accounts.

Governance costs:

Expenditure incurred in running and administering the charity which is not directly attributable to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

2. Accounting policies (continued)

2.6 Intangible assets and amortisation

IT platform

IT platforms are recognised at cost, which is then amortised evenly over a three year period once the platform has been released for use.

Purchased goodwill

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and amortised evenly over a period of between 5 and 10 years as in the opinion of the trustees this represents the period over which the goodwill is expected to give rise to economic benefit. Goodwill is reviewed for impairment at the end of the first financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Plant variety rights

Plant variety rights are recognised at their fair value at acquisition and are amortised evenly in the period over which the rights expire as, in the opinion of the trustees, this represents the period over which the rights are expected to give rise to economic benefit. Plant variety rights are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

2.7 Tangible fixed assets and depreciation

All tangible fixed assets are stated at historical cost.

Depreciation is provided on cost over the estimated lives of the assets which are considered to be: .

Leasehold improvements	- over the term of the lease
Apparatus and equipment	- 3 -10 years straight line
Agricultural and Motor vehicles	- 3 -10 years straight line
Transfer from TAG:	-
Apparatus and equipment	- 33% reducing balance
Computer equipment	- 25% reducing balance
Vehicles	- 10% reducing balance

Assets in the course of construction are stated at cost and are not depreciated until brought into use.

2.8 Financial instruments

The Group has financial assets and financial liabilities which qualify as both basic and non-basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Non-basic financial instruments comprise foreign currency contracts measured at fair value. These are not traded in active markets, and have been fair valued using observable forward exchange rates corresponding to the maturity of the contract. Fair value movements are accounted for through the Statement of Financial Activities.

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

2. Accounting policies (continued)

2.9 Stocks

The financial statements include stocks of chemicals, fertilisers and sprays held by the group, together with a valuation of growing crops for resale. These stocks are stated at the lower of cost and net realisable value.

Cost is calculated as follows:

- Agrochemicals, Fertilisers & Sprays are calculated at value invoiced based on a first in first out basis.
- Cultivations & Growing Crops are valued at the cost of the inputs and operations carried out.
- Purchased seed is calculated at suppliers invoice value based on a first in first out basis.
- Farm saved seed is valued at the cost of inputs and operations carried out.

Net realisable value is based on estimated selling price less further costs expected to be incurred for completion and disposal. Provision is made for slow moving items.

2.10 Finance leases and hire purchase

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term.

The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the Statement of Financial Activities in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to Statement of Financial Activities on a straight line basis over the lease term.

2.11 Termination and redundancy payments

Termination and redundancy payments are recognised as a liability and an expense only when the event is demonstrably committed to by either:

- a) termination of the employment of an employee or group of employees before the normal retirement date; or
- b) provision of termination benefits as a result of an offer made in order to encourage voluntary redundancy.

2.12 Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

The Charity's functional and presentational currency is GBP.

2.13 Research and development

All research and development costs are written off as incurred.

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

2. Accounting policies (continued)

2.14 Investments

Investments in subsidiaries are stated at cost. To the extent that the carrying value exceeds the recoverable amount, an impairment loss is recognised. The performance of NIAB Trading, TAG Consulting and East Malling Services are reviewed on a regular basis to monitor the financial performance of the commercial activities.

NIAB holds investments in two commercial companies which it is working with to further its charitable objects.

2.15 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

2.16 Creditors

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

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition or the balance sheet date and that are readily convertible to known amounts of cash with insignificant risk of change of value.

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

2. Accounting policies (continued)

2.18 Pensions

NIAB Defined Benefit Pension Scheme

For the defined benefit retirement plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains and losses arising are recognised immediately in the Statement of Financial Activities.

Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits have already vested, the cost is recognised immediately in the Statement of Financial Activities.

The amount recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the lower of the asset, and any unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

Universities Superannuation Scheme

The Arable Group Limited participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The liabilities are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustee on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme.

The assets of the scheme are held in a separate trustee-administered fund. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

Under FRS102, the company has accounted for the present value of the contributions payable as identified in the most recent funding agreement.

NIAB, NIAB EMR, East Malling Services Limited and The Arable Group Limited also operate group money purchase schemes. For these, the pension costs charged in the financial statements represent the contributions payable by the companies during the year.

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

2. Accounting policies (continued)

2.19 Going concern

The trustees have acknowledged the guidance on going concern and financial reporting published by the Financial Reporting Council in 2016.

The Group's operating activities are diverse. Research and development in Crop Genetics, Computational Biology, Plant Breeding and Plant Characterisation are supported by long-term contracts and competitively won research grants which, historically, have been largely unaffected by changes in the general economy. Crop Agronomy, Membership, Training and Seed Certification activities are generally contracted on an annual basis, and are supported by a diverse customer base. Income has been stable over a number of years.

The Group balance sheet shows a deficit position of £10,766k. Taking out the Restricted and Endowment funds leaves an Unrestricted deficit of £11,824k. Stripping out the pension scheme deficit £13,987k (discussed in more detail below), the long term debt to the NIAB TRUST of £1,500k and Fixed Assets (Tangible plus Intangible) plus trade investments in total within Unrestricted funds of £5,644 leaves a negative underlying unrestricted reserve of £1,981k as described in the Reserves policy in this report.

One of the key objectives as noted above for the year is a review of the 5 year plan incorporating the effects of the Covid-19 pandemic, with a focus on financial stability. This is in process of being achieved through a mix of increased efforts on income generation alongside cost cutting including staff costs in a redundancy exercise carried out in July 2020.

NIAB has undertaken an exercise of reviewing income and planned expenditure including financial and cashflow projections to forecast how various outcomes might affect NIAB's operations in 2021, taking into account the risk of decreased income from various sources. The results of the scenario planning have been used as a basis from which to formulate a model for strategic planning.

A key component of the revised 5 year plan is to create surpluses through growth, cost savings and improved margins on services and products. At the time of writing this report, the forecasts for 2020/21 is for a modest surplus based on the actual results to September 2020 and new income secured for the remainder of 2020/21. Similarly there is a surplus projected for 2021/22.

A component of the financial risk to NIAB is the pension scheme. The NIAB (1996) Pension Scheme ('Scheme') was established in 1996 following NIAB's separation from government and establishment as a not-for-profit. The Board have taken steps to manage the Scheme deficit, closing the Scheme to new members in 2001 and to future accrual in 2007.

The National Institute of Agricultural Botany Trust ('TRUST' Charity No. 1144528) was established at the same time as NIAB, and holds the property assets of the previously government-owned institution.

The TRUST was established with similar charitable objects to NIAB and fulfils its charitable objects through the provision of support to NIAB.

The Trust is a participating employer in the Scheme with NIAB. This means that the entire deficit liability of the pension scheme is shared with the TRUST, and the assets of the TRUST support NIAB's balance sheet in providing the employer covenant, and the recovery payments agreed under the recovery plan.

A key component of the review of going concern, given other uncertainties, is the support from the NIAB TRUST.

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

2. Accounting policies (continued)

2.19 Going concern (continued)

The TRUST has a balance sheet value of in excess of £40m. It has confirmed that it will continue to support NIAB and provide funding and lending sufficient to ensure NIAB remains a going concern. The funding includes ongoing funding for research and facilities and contributions to the pension scheme recovery payments. The lending is in the form of an 'overdraft' facility which can be used by NIAB to manage working capital fluctuations in year of up to £2m.

The trustees have considered the following in arriving at their conclusions on going concern: -

1. The cash flow forecast and latest management accounts, which give confidence that NIAB can continue to pay its debts as they fall due.
2. The TRUST's continued support to NIAB through the provision of facilities and funding and borrowing support.
3. The Trust being a participating employer alongside NIAB in the Pension Scheme.

After making enquiries and considering the uncertainties described above, the trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.20 Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Depreciation, which has been charged in line with the accounting policy above. The amount of depreciation charged and net book value of the assets is included in Note 14
- Intangible assets, which were recognised at the fair value of acquisition, and have been amortised. The net book value of the assets is included in Note 13
- Income, which has been recognised in accordance with the work completed on grants and contracts
- Pension Liabilities: The Trustees have reviewed current rates and expected future returns to set the assumptions used for the valuation of the NIAB (1996) Pension Scheme deficit in consultation with the company actuary. Full details are provided in Note 27.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

3. Income from donations and legacies

	Unrestricted funds 2020 £000	Endowment funds 2020 £000	Total funds 2020 £000
Donations from National Institute of Agricultural Botany Trust	828	-	828
Gift of permanent endowment	-	-	-
	<hr/> 828	<hr/> -	<hr/> 828
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<i>Unrestricted funds 2019 £000</i>	<i>Endowment funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Donations from National Institute of Agricultural Botany Trust	1,200	-	1,200
Gift of permanent endowment	-	750	750
	<hr/> 1,200	<hr/> 750	<hr/> 1,950
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

4. Income from charitable activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
Agricultural services	7,979	2,329	10,308
Laboratory and research	4,901	3,589	8,490
Other activities	69	-	69
Total 2020 (including Government grants of £5.9m)	12,949	5,918	18,867
	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Agricultural services	7,791	2,353	10,144
Laboratory and research	4,564	3,608	8,172
Other activities	36	-	36
<i>Total 2019 (including Government grants of £5.4m)</i>	<i>12,391</i>	<i>5,961</i>	<i>18,352</i>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

5. Income from subsidiary trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000
Agricultural services	5,874	5,874
Agronomy consultancy	1,250	1,250
	<hr/> 7,124 <hr/>	<hr/> 7,124 <hr/>

	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Agricultural services	6,165	6,165
Agronomy consultancy	1,381	1,381
	<hr/> 7,546 <hr/>	<hr/> 7,546 <hr/>

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000
Rental income	74	74
	<hr/> 74 <hr/>	<hr/> 74 <hr/>

	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Rental income	68	68
	<hr/> 68 <hr/>	<hr/> 68 <hr/>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
Agricultural services	8,370	5,066	13,436
Laboratory and research	6,912	95	7,007
Pension - past service cost	(4,824)	-	(4,824)
	<hr/> 10,458 <hr/>	<hr/> 5,161 <hr/>	<hr/> 15,619 <hr/>
	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Agricultural services	10,024	3,614	13,638
Laboratory and research	4,603	2,407	7,010
	<hr/> 14,627 <hr/>	<hr/> 6,021 <hr/>	<hr/> 20,648 <hr/>

The trustees consider that all expenditure is classified as Research and Development expenditure.

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Agricultural services	10,547	2,889	13,436
Laboratory and research	4,257	2,750	7,007
Pension - past service cost	(4,824)	-	(4,824)
	9,980	5,639	15,619
	9,980	5,639	15,619

	<i>Activities undertaken directly 2019 £000</i>	<i>Support costs 2019 £000</i>	<i>Total funds 2019 £000</i>
Agricultural services	10,207	3,431	13,638
Laboratory and research	4,161	2,849	7,010
	14,368	6,280	20,648
	14,368	6,280	20,648

Analysis of support costs

	Agricultural services 2020 £000	Laboratory and research 2020 £000	Total funds 2020 £000
Management	470	865	1,335
Finance	1,129	918	2,047
Information Technology	682	493	1,175
Human resources	393	267	660
Governance	215	207	422
	2,889	2,750	5,639
	2,889	2,750	5,639

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Agricultural services</i>	<i>Laboratory and research</i>	<i>Total funds</i>
	<i>2019</i>	<i>2019</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Management	863	991	1,854
Finance	1,191	899	2,090
Information Technology	624	416	1,040
Human resources	348	252	600
Governance	405	291	696
	<u>3,431</u>	<u>2,849</u>	<u>6,280</u>

Support costs have been allocated to activity cost categories on a basis consistent with the use of resources.

9. Auditors' remuneration

	2020	<i>2019</i>
	£000	<i>£000</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	23	<i>23</i>
Fees payable to the Charity's auditor in respect of:		
The auditing of accounts of subsidiaries of the Charity	17	<i>16</i>
Additional fees in respect of audit previous year	18	<i>11</i>
Taxation compliance services	8	<i>10</i>
	<u>8</u>	<u><i>10</i></u>

NIAB

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

10. Staff costs

	Group 2020 £000	<i>Group 2019 £000</i>	Charity 2020 £000	<i>Charity 2019 £000</i>
Wages and salaries	12,777	12,403	8,996	8,614
Social security costs	1,135	1,081	798	752
Contribution to defined contribution pension schemes	929	912	636	605
Operating costs of defined benefit pension schemes	(4,462)	791	(4,477)	778
	<u>10,379</u>	<u>15,187</u>	<u>5,953</u>	<u>10,749</u>

During the year a total of £34,908 (2019: £76,167) was paid to an employee (2019: 3 employees) as ex gratia payments. In addition £13,475 in total (2019: £4,549) was paid to 2 employees (2019: 2 employees) by way of redundancy payments.

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

	Group 2020 No.	<i>Group 2019 No.</i>
Technical and Scientific	205	212
Support staff	65	61
Agricultural staff and casuals	81	82
	<u>351</u>	<u>355</u>

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

10. Staff costs (continued)

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

	Group 2020 No.	<i>Group 2019 No.</i>
In the band £60,001 - £70,000	11	9
In the band £70,001 - £80,000	4	3
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	2	-
In the band £100,001 - £110,000	-	2
In the band £110,001 - £120,000	1	1
In the band £120,001 - £130,000	2	1
In the band £130,001 - £140,000	1	1
In the band £140,001 - £150,000	-	1
	-	1

The key management personnel are:

Dr T L Barsby
 S M Knight
 S C Masson
 Professor M Caccamo
 M Leaman
 W Clark
 N Watson
 Dr J McKee
 R Harrison (appointed May 2019)

The total costs relating to key management personnel (including wages and salaries, employees' national insurance, pension costs and fees) during the year was £865k (2019: £684k).

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Notes to the Financial Statements For the Year Ended 31 March 2020

11. Trustees' remuneration and expenses

The Chairman and Deputy Chairman of the Board of Trustees and the Chairman of the Board's Finance Committee received honoraria, totalling £13,200 (2019: £13,200). Meeting fees totalling £5,800 were paid to five trustees (2019: £5,800 for five Trustees). Charity Commission approval has been obtained prior to these payments.

As provided for in the charity's Articles of Association, the Chief Executive of the charity is also a member of the board (from November 2017). The payments to the Chief Executive (as an employee) for the year were as follows:

		2020	<i>2019</i>
		£000	<i>£000</i>
Dr T L Barsby OBE	Remuneration	125	<i>92</i>
	Pension contributions paid	11	<i>70</i>
	Other benefits	11	<i>10</i>

During the year ended 31 March 2020, expenses totalling £6,484 were reimbursed or paid directly to 6 Trustees (2019 - £7,431 to 7 Trustees).

Other than the above there are no other related party transactions to be reported in respect of the Trustees.

12. Taxation

NIAB is a registered charity and is exempt from tax on income and capital gains falling within section 505 of the Income and Corporation Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. No tax charges have arisen in the Charitable Company. Any charges arising in the subsidiary companies are disclosed in Note 16.

There is no provision for deferred tax on fair value adjustments because any chargeable gains are applied to charitable objectives so no tax liability arises.

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

13. Intangible assets

Group

	Plant Variety Rights £000	IT Platform £000	Purchased Goodwill £000	Total £000
Cost				
At 1 April 2019	1,101	93	418	1,612
At 31 March 2020	<u>1,101</u>	<u>93</u>	<u>418</u>	<u>1,612</u>
Amortisation				
At 1 April 2019	216	93	380	689
Charge for the year	84	-	20	104
At 31 March 2020	<u>300</u>	<u>93</u>	<u>400</u>	<u>793</u>
Net book value				
At 31 March 2020	<u>801</u>	<u>-</u>	<u>18</u>	<u>819</u>
At 31 March 2019	<u>885</u>	<u>-</u>	<u>38</u>	<u>923</u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

13. Intangible assets (continued)

Charity

	IT Platform £000
Cost	
At 1 April 2019	93
At 31 March 2020	93
Amortisation	
At 1 April 2019	93
At 31 March 2020	93
Net book value	
At 31 March 2020	-
At 31 March 2019	-

Included in intangible assets are Plant Variety Rights, Purchased Goodwill arising from the acquisition of the business of ADAS by TAG Consulting Limited, the acquisition of East Malling Research and the development of IT platforms.

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

14. Tangible fixed assets

Group

	Short-term leasehold property £000	Plant, machinery & vehicles £000	Office & Computer equipment £000	Scientific equipment £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 April 2019	606	7,649	2,006	2,876	-	13,137
Additions	-	1,130	743	218	51	2,142
Disposals	-	(254)	(1)	-	-	(255)
At 31 March 2020	<u>606</u>	<u>8,525</u>	<u>2,748</u>	<u>3,094</u>	<u>51</u>	<u>15,024</u>
Depreciation						
At 1 April 2019	222	5,271	1,726	1,834	-	9,053
Charge for the year	64	603	250	300	-	1,217
On disposals	-	(237)	(1)	-	-	(238)
At 31 March 2020	<u>286</u>	<u>5,637</u>	<u>1,975</u>	<u>2,134</u>	<u>-</u>	<u>10,032</u>
Net book value						
At 31 March 2020	<u><u>320</u></u>	<u><u>2,888</u></u>	<u><u>773</u></u>	<u><u>960</u></u>	<u><u>51</u></u>	<u><u>4,992</u></u>
At 31 March 2019	<u><u>384</u></u>	<u><u>2,378</u></u>	<u><u>280</u></u>	<u><u>1,042</u></u>	<u><u>-</u></u>	<u><u>4,084</u></u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

14. Tangible fixed assets (continued)

Charity

	Short-term leasehold property £000	Plant, machinery & vehicles £000	Office & Computer equipment £000	Scientific equipment £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 April 2019	606	7,027	1,775	2,215	-	11,623
Additions	-	884	738	134	51	1,807
Disposals	-	(252)	(1)	-	-	(253)
At 31 March 2020	<u>606</u>	<u>7,659</u>	<u>2,512</u>	<u>2,349</u>	<u>51</u>	<u>13,177</u>
Depreciation						
At 1 April 2019	222	5,133	1,621	1,564	-	8,540
Charge for the year	64	538	199	161	-	962
On disposals	-	(236)	(1)	-	-	(237)
At 31 March 2020	<u>286</u>	<u>5,435</u>	<u>1,819</u>	<u>1,725</u>	<u>-</u>	<u>9,265</u>
Net book value						
At 31 March 2020	<u><u>320</u></u>	<u><u>2,224</u></u>	<u><u>693</u></u>	<u><u>624</u></u>	<u><u>51</u></u>	<u><u>3,912</u></u>
At 31 March 2019	<u><u>384</u></u>	<u><u>1,894</u></u>	<u><u>154</u></u>	<u><u>651</u></u>	<u><u>-</u></u>	<u><u>3,083</u></u>

The net book value of the group's and charity's assets includes £996,529 (2019: £749,442) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged in the year on those assets totalled £207,945 (2019: £124,005).

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

15. Fixed asset investments

Group and Charity	Trade investments £000
Cost or valuation	
At 1 April 2019	116
Additions	25
At 31 March 2020	<u>141</u>
Net book value	
At 31 March 2020	<u>141</u>
<i>At 31 March 2019</i>	<u>116</u>

During the course of the year the charity made investments totaling £25k (2019: £5k) in agritech companies.

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Notes to the Financial Statements For the Year Ended 31 March 2020

16. Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Charity registration number	Principal activity	Class of shares
The Arable Group Limited	00192460	212059	Agriculture	
TAG Consulting Ltd	05110993		Agriculture	Ordinary
NIAB Trading Ltd	07390289		Agriculture	Ordinary
NIAB EMR	09894859	1165055	Horticulture	
East Malling Services Limited	02335037		Horticulture	Ordinary

The financial results of the subsidiaries for the year were:

Names	Income £000	Expenditure £000	Profit/(Loss)/ Surplus/ (Deficit) for the year £000	Net assets £000
The Arable Group Limited	370	545	(175)	23
TAG Consulting Ltd	1,261	1,314	(53)	(79)
NIAB Trading Ltd	4,296	4,338	(42)	(126)
NIAB EMR	5,761	5,421	340	(151)
East Malling Services Limited	2,987	2,648	339	588

The Arable Group Limited and NIAB EMR are charitable companies limited by guarantee, considered to be subsidiary undertakings by virtue of control, as NIAB is the sole voting member with the power to appoint the board. TAG Consulting Limited and NIAB Trading Ltd are wholly owned by NIAB. East Malling Services Limited is wholly owned by NIAB EMR.

All of the subsidiaries carry out activities in furtherance of NIAB's charitable objectives

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

17. Stocks

	Group 2020 £000	<i>Group 2019 £000</i>	Charity 2020 £000	<i>Charity 2019 £000</i>
Raw materials and consumables	222	209	122	122
Finished goods and goods for resale	86	95	86	95
	<u>308</u>	<u>304</u>	<u>208</u>	<u>217</u>

18. Debtors

	Group 2020 £000	<i>Group 2019 £000</i>	Charity 2020 £000	<i>Charity 2019 £000</i>
Due within one year				
Trade debtors	3,020	1,930	1,291	370
Amounts owed by group undertakings	-	-	2,311	3,130
Other debtors	166	156	161	107
National Institute of Agricultural Botany Trust	284	1,194	284	1,194
Prepayments	831	846	617	624
Accrued income	2,953	3,439	1,481	2,042
	<u>7,254</u>	<u>7,565</u>	<u>6,145</u>	<u>7,467</u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

19. Creditors: Amounts falling due within one year

	Group 2020 £000	<i>Group 2019 £000</i>	Charity 2020 £000	<i>Charity 2019 £000</i>
Trade creditors	1,486	782	1,145	587
Amounts owed to group undertakings	-	-	817	1,361
Other taxation and social security	501	541	422	204
Obligations under finance lease and hire purchase contracts	481	194	481	194
Other creditors	928	1,001	666	361
Accruals and deferred income	5,764	6,340	4,167	5,261
	<u>9,160</u>	<u>8,858</u>	<u>7,698</u>	<u>7,968</u>
	Group 2020 £000	<i>Group 2019 £000</i>	Charity 2020 £000	<i>Charity 2019 £000</i>
Deferred income at 1 April 2019	4,859	3,967	4,205	2,991
Resources deferred during the year	3,824	4,859	2,916	4,205
Amounts released from previous periods	(4,859)	(3,967)	(4,205)	(2,991)
	<u>3,824</u>	<u>4,859</u>	<u>2,916</u>	<u>4,205</u>

Deferred income for the group relates to annual membership subscriptions paid in advance, key renewal dates being 30 September and 31 December, together with pre-financing payments for EU Contracts and payments received in advance for contracted services.

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

20. Creditors: Amounts falling due after more than one year

	Group 2020 £000	<i>Group 2019 £000</i>	Charity 2020 £000	<i>Charity 2019 £000</i>
Other loans	1,500	<i>1,500</i>	-	-
Net obligations under finance lease and hire purchase contracts	238	<i>271</i>	238	<i>271</i>
Other creditors	100	<i>154</i>	23	<i>24</i>
	1,838	<i>1,925</i>	261	<i>295</i>

	Group 2020 £000	<i>Group 2019 £000</i>	Company 2020 £000	<i>Company 2019 £000</i>
Obligations under finance leases and hire purchase contracts				
Within one year	481	<i>194</i>	481	<i>194</i>
Within two to five years	238	<i>271</i>	238	<i>271</i>
	719	<i>465</i>	719	<i>465</i>

The obligations under finance leases and hire purchase contracts are secured by a charge over the assets financed.

The loan of £1,500,000 is from the related party, National Institute of Agricultural Botany Trust. Further details of this loan are disclosed in note 30.

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

21. Financial instruments

	Group 2020 £000	<i>Group 2019 £000</i>	Charity 2020 £000	<i>Charity 2019 £000</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	705	<i>2,607</i>	606	<i>1,538</i>

Financial assets measured at fair value through income and expenditure comprise foreign currency forward contracts. These are not traded in active markets and have been fair valued using observable forward exchange rates corresponding to the maturity of the contract.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by NIAB Trust and other debtors.

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2020 £000
Unrestricted funds						
General funds	3,698	20,976	(23,328)	817	-	2,163
Pension fund	(18,773)	-	5,141	-	(355)	(13,987)
	<u>(15,075)</u>	<u>20,976</u>	<u>(18,187)</u>	<u>817</u>	<u>(355)</u>	<u>(11,824)</u>
Endowment funds						
John Oldacre Foundation	750	-	-	-	-	750
Restricted funds						
Hasse Fen Capital Fund	362	-	(60)	-	-	302
Other revenue grants	6	-	-	-	-	6
Restricted Grant income	-	5,918	(5,101)	(817)	-	-
	<u>368</u>	<u>5,918</u>	<u>(5,161)</u>	<u>(817)</u>	<u>-</u>	<u>308</u>
Total of funds	<u><u>(13,957)</u></u>	<u><u>26,894</u></u>	<u><u>(23,348)</u></u>	<u><u>-</u></u>	<u><u>(355)</u></u>	<u><u>(10,766)</u></u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

22. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 March 2019 £000</i>
Unrestricted funds					
General funds	3,478	21,205	(20,985)	-	3,698
Pension fund	(16,640)	-	(868)	(1,265)	(18,773)
	<u>(13,162)</u>	<u>21,205</u>	<u>(21,853)</u>	<u>(1,265)</u>	<u>(15,075)</u>
Endowment funds					
John Oldacre Foundation	-	750	-	-	750
Restricted funds					
Hasse Fen Capital Fund	422	-	(60)	-	362
Other revenue grants	6	-	-	-	6
Restricted Grant income	-	5,961	(5,961)	-	-
	<u>428</u>	<u>5,961</u>	<u>(6,021)</u>	<u>-</u>	<u>368</u>
Total of funds	<u><u>(12,734)</u></u>	<u><u>27,916</u></u>	<u><u>(27,874)</u></u>	<u><u>(1,265)</u></u>	<u><u>(13,957)</u></u>

The John Oldacre Foundation fund is an amount held as capital where only income can be spent. The expenditure is restricted to funding post-graduate studentships of young innovators.

The Hasse Fen capital fund was a grant received to build at NIAB's Hasse Fen site. The expenditure represents annual depreciation of the asset.

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

23. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Endowment funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	4,684	308	-	4,992
Intangible fixed assets	819	-	-	819
Trade investments	141	-	-	141
Current assets	7,517	-	750	8,267
Creditors due within one year	(9,160)	-	-	(9,160)
Creditors due in more than one year	(1,838)	-	-	(1,838)
Defined benefit pension scheme liability	(13,987)	-	-	(13,987)
Total	(11,824)	308	750	(10,766)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Endowment funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	3,716	368	-	4,084
Intangible fixed assets	923	-	-	923
Trade investments	116	-	-	116
Current assets	9,726	-	750	10,476
Creditors due within one year	(8,858)	-	-	(8,858)
Creditors due in more than one year	(1,925)	-	-	(1,925)
Defined benefit pension scheme liability	(18,773)	-	-	(18,773)
Total	(15,075)	368	750	(13,957)

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £000	<i>Group 2019 £000</i>
Net income for the period (as per Statement of Financial Activities)	3,545	42
Adjustments for:		
Depreciation charges	1,217	962
Amortisation charges	104	119
Profit on the sale of fixed assets	(56)	(17)
Increase in stocks	(4)	(24)
Decrease in debtors	311	641
Increase/(decrease) in creditors	(39)	182
Interest payable	70	56
Pension contributions	(317)	868
Pension - past service cost	(4,824)	-
Net cash provided by operating activities	7	2,829

25. Analysis of cash and cash equivalents

	Group 2020 £000	<i>Group 2019 £000</i>
Cash in hand	705	2,607
Total cash and cash equivalents	705	2,607

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

26. Analysis of changes in net debt

	At 1 April 2019 £000	Cash flows £000	New finance leases £000	At 31 March 2020 £000
Cash at bank and in hand	2,607	(1,902)	-	705
Debt due after 1 year	(1,500)	-	-	(1,500)
Finance leases	(465)	175	(429)	(719)
	<u>642</u>	<u>(1,727)</u>	<u>(429)</u>	<u>(1,514)</u>

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Notes to the Financial Statements For the Year Ended 31 March 2020

27. Pension commitments: Defined Benefit schemes

(A) NIAB Defined Benefit Pension Scheme

NIAB operates a defined benefit pension scheme which was established on 1 April 1996. The assets of this scheme are held in a separate fund controlled by trustees. The scheme was closed to future benefit accrual on 31 July 2007.

The most recent actuarial valuation of the Scheme was carried out as at 31 March 2015. The valuation has been updated to 31 March 2018 by a qualified independent actuary.

NIAB expects to contribute £700,000 to its defined benefit pension scheme in 2020/21 (2019/20: £700,000).

The amounts recognised in the balance sheet are as follows:

	2020 £000	2019 £000
Present value of funded obligations	(43,939)	(48,637)
Fair value of plan assets	29,952	29,864
Deficit	<u>(13,987)</u>	<u>(18,773)</u>

Included in the deficit is £Nil (2019- £50k) which is a provision for Guaranteed Minimum Pension equalisation.

As part of the recent funding negotiations the Pension Fund Trustees and the charity agreed that, from 1 April 2020 onwards, pensions in payment will now increase in line with CPI rather than RPI. Increases will continue to be capped at 5% pa for pensions accrued pre 1 April 2006 and 2.5% pa for pensions accrued thereafter. That change has resulted in a reduction in the present value of the defined benefit obligation. The amounts recognised in the net income and expenditure are as follows:

	2020 £000	2019 £000
Administration costs incurred during the period	376	727
Net interest cost	400	438
Past service cost	(4,824)	50
Total pension expense	<u>(4,048)</u>	<u>1,215</u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

**27. Pension commitments: Defined Benefit schemes
(continued)**

The amounts in the statement of other movements in funds are:

	2020 £000	2019 £000
Actuarial (loss)/gain on plan assets	(116)	852
Actuarial (loss) on defined benefit obligation	(239)	(2,117)
of which due to experience	422	408
of which due to demographic assumptions	(63)	(965)
of which due to financial assumptions	(598)	(1,560)
Total (loss) in other movements in funds	<u>(355)</u>	<u>(1,265)</u>

Changes in the present value of the defined benefit obligations are:

	2020 £000	2019 £000
Liabilities at the start of the period	48,637	46,402
Interest cost	1,140	1,192
Actuarial gain	239	2,117
Benefits paid	(1,253)	(1,124)
Past service cost	(4,824)	50
Liabilities at the end of the period	<u>43,939</u>	<u>48,637</u>

Changes in the fair value of plan assets are:

	2020 £000	2019 £000
Fair value of plan assets at start of the period	29,864	29,762
Interest income	740	754
Actuarial (loss)/gain	(116)	852
Contributions by the employer	1,093	347
Benefits paid	(1,253)	(1,124)
Non-investment expenses	(376)	(727)
Fair value of plan assets at end of the period	<u>29,952</u>	<u>29,864</u>

	2020 £000	2019 £000
Interest income	740	754
Actuarial (loss)/gain on plan assets	(116)	852
Return on plan assets	<u>624</u>	<u>1,606</u>

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

**27. Pension commitments: Defined Benefit schemes
(continued)**

Major categories of plan assets as a percentage of total assets

	2020 £000	2020 %	2019 £000	2019 %
Equities	4,854	16.2	5,849	19.6
Diversified Growth Fund	9,209	30.7	10,518	35.2
Bonds	8,949	29.9	9,445	31.6
Cash	6,940	23.2	4,052	13.6
Total	29,952	100.0	29,864	100.0

Principal assumptions at the balance sheet date (expressed as weighted averages)

	2020	2019
Discount rate	2.2%	2.5%
Rate of increase in salaries	2.0%	2.7%
Rate of increase in pensions	2.1%	3.1%
Rate of inflation RPI	2.8%	3.3%
Rate of inflation CPI	2.0%	2.3%
Life expectancy for mortality tables used to determine benefit obligations at end of period:		
member age 65 (current life expectancy) - male	21.8	21.7
member age 65 (current life expectancy) - female	24.1	23.7
member age 45 (life expectancy at age 65) - male	22.8	22.8
member age 45 (life expectancy at age 65) - female	25.2	24.9

Experience of gains and losses

	2020 £000	2019 £000
Liabilities at the end of the year	(43,939)	(48,637)
Assets at the end of the year	29,952	29,864
Deficit at the end of the year	(13,987)	(18,773)
Asset (loss)/gain	(116)	852
% of scheme assets	-0.4%	2.9%
Liability gain/(loss)	239	(2,117)
% of scheme assets	0.5%	-4.4%

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

**27. Pension commitments: Defined Benefit schemes
(continued)**

(B) Universities Superannuation Scheme

	2020 £'000	2019 £'000
Liability less than 1 year	2	1
Liability more than 1 year	36	46
Total	<u>38</u>	<u>47</u>

The USS pension scheme is only available to certain of the employees of The Arable Group Limited. Since that charity cannot identify its share of the assets and liabilities of the USS scheme, the following disclosures have been provided by the respective pension schemes to reflect those relevant for the schemes as a whole.

Universities Superannuation Scheme (USS)

Following changes to the USS, this scheme now comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement. The latest formal actuarial valuation of the USS defined benefit liabilities has been carried out as at 31 March 2018 to meet the requirements of the Pensions Act 2004 and was published in September 2019. This actuarial valuation shows a shortfall of £3.6bn in the USS with the scheme assets being sufficient to cover 95% of its 'technical provisions' liabilities.

Based on this valuation the actuary has determined that USS funding rates will increase from the current total of 26% of salaries (employer 18%, employee 8%) to 34.7% of salaries (employer 23.7%, employee 11.0%) in stages up to 1 October 2021. These contribution rates include:

- provisions for the employer cost of future accruals of DB benefits,
- contributions of 2% from 1 October 2019 increasing to 6% from 1 October 2021 towards the correction of the DB past service deficit,
- contributions of 0.4% to cover certain administrative expenses and PPF levies, and
- the employer contributions towards DC benefits.

The past service deficit contributions are expected to correct the deficit by 30 June 2028 if experience is borne out in line with the assumptions made for the recovery plan. To reflect the liability for these contributions the Institute has used a financial modeller to calculate the provision it needs to recognise in the financial statements. The calculated amount is recognised in the balance sheet and any changes in the value of the deficit liability each year are shown on the Statement of Financial Activities. The assumptions used as part of this modelled for the year ended 31 March 2019 are shown below.

Further details on, and a copy of, the 2018 Actuarial Valuation of the USS can be found on the USS website.

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

**27. Pension commitments: Defined Benefit schemes
(continued)**

Further information on the 2018 actuarial valuation of the USS Scheme is included below.

Of The Arable Group Limited's 5 employees at 31 March 2020 (2019: 5), 2 were members of USS (2019: 3).

The Arable Group Limited's calculated share of the USS defined benefit pension liability amounts to £38k (2019: £47k) and the total cost charged to the Statement of Financial Activities in respect of USS amounts to £16k (2019: £15k).

The liability has been re-calculated using the USS model provided with reference to the remaining deficit recovery period of 10 years from 2018 to 2028. Since the group cannot identify its share of the assets and liabilities of the USS scheme, the following disclosures have been provided by the respective pension schemes to reflect those relevant for the schemes as a whole.

The following assumptions were used to calculate the group's share of the USS liability:

	2020	2019
Discount rate	2.3%	2.5%
Projected salary inflation	2.7%	2.7%

Salary inflation assumptions take into account the level of annual pay increases set in the April before the relevant year-end, prevailing CPI rates, and the Bank of England long-term inflation target of 2%. The calculation reflects an assumption that there would be some reduction in member numbers in the forward years. The assumptions underpinning the calculation reflect a prudent assessment of the available information and options but represents a key area of estimation uncertainty in the financial statements.

Analysis of the charge to the income and expenditure statement is set out below:

	2020 £'000	2019 £'000
Employer contributions	22	21
Contributions allocated to deficit provision	1	3
Change in contributions from past expectations	(9)	(11)
Contribution costs total	14	13
Interest payable	2	2
Pension costs total	16	15

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2020	2019
Discount rate	2.3%	2.5%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.7%	2.7%

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**Notes to the Financial Statements
For the Year Ended 31 March 2020**

**27. Pension commitments: Defined Benefit schemes
(continued)**

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions are based on the following mortality tables:

	2018	Pre-retirement	Post-retirement
Male members mortality		71% of AMC00 (duration 0)	97.6% of SAPS S1NMA "light"
Female members mortality		112% of AMFG00 (duration 0)	102.7% of RFV00 (duration 0)
	2017		
Male members mortality		98% of S1NA ("light" YoB tables - No age rating	
Female members mortality		99% of S1NA ("light" YoB tables - rated down 1 year No age rating	

Future improvements to mortality are based on the Continuous Mortality Investigation's (CMI) 2017 projections with smoothing parameter of 8.5 and a long-term improvement rate of 1.8% for males and 1.6% for females.

The current life expectancies on retirement at age 65 are:

	2018	2017
Males currently aged 65 years	24.4	24.4
Females currently aged 65 years	26.3	26.6
Males currently aged 45 years	25.9	26.5
Females currently aged 45 years	27.7	29.0

Summary of the Scheme position as at 31 March is set out below:

	2020	2019	2018
Scheme assets	£66.5bn	£67.4bn	£63.7bn
Total scheme liabilities	£79.4bn	£72.8bn	£67.3bn
FRS102 Total scheme deficit	£12.9bn	£5.4bn	£3.6bn
FRS102 Total funding level	84%	93%	95%

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2020

28. Operating lease commitments

At 31 March 2020 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2020	<i>2019</i>	2020	<i>2019</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Not later than 1 year	818	<i>1,231</i>	393	<i>787</i>
Later than 1 year and not later than 5 years	710	<i>1,042</i>	429	<i>441</i>
	1,528	<i>2,273</i>	822	<i>1,228</i>

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2020	<i>2019</i>	2020	<i>2019</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Land and Buildings	760	<i>996</i>	272	<i>507</i>
Motor vehicles	220	<i>223</i>	173	<i>176</i>
	980	<i>1,219</i>	445	<i>683</i>

29. Members' liability

The charitable company is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 March 2020 there were eleven members, comprising the Trustees.

NIAB

Notes to the Financial Statements For the Year Ended 31 March 2020

30. Related party transactions

In the ordinary course of business the company entered into transactions with National Institute of Agricultural Botany Trust. The company has a close relationship with National Institute of Agricultural Botany Trust, which has an object to support NIAB.

During the course of the year NIAB is charged a facilities charge for the occupation of the land and buildings owned by the Trust, and the Trust receives a charge from NIAB relating to the Research Funding Agreement between the two parties. These transactions will be represented by both cash and non-cash, due to accruals made for activities at the end of the financial year.

These transactions are summarised below:

	2020	<i>2019</i>
Closing debtor	284	<i>1,194</i>
Annual support	1,125	<i>1,125</i>
Additional support towards legal and pension costs	700	<i>1,200</i>
Contribution towards rent and other	128	<i>359</i>
Expenditure	(500)	<i>(500)</i>

In 2017 NIAB EMR, a subsidiary company, obtained a loan of £1,500,000 from National Institute of Agricultural Botany Trust. This loan is secured by a first fixed and floating charge on the assets of NIAB EMR and, while there is no fixed repayment timetable, the loan is repayable in full by 8 February 2026. Interest is charged at 2% above the Bank of England base rate, which is considered to be a market value.

The charitable company has taken advantage of the exemptions contained within FRS102, section 33, not to disclose intra-group transactions on the basis that the subsidiaries are wholly owned and the accounts are publicly available.

31. Parent charity result

The parent charity result for the year before other recognised gains and losses and the credit to the pension fund for past service cost was a loss of £788k (2019: loss £266k).