
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.	<p>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.</p> <p>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.</p>
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.

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

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.

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.



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

		Unrestricted funds	Restricted funds	Endowment funds	Total operating funds	Restricted capital grant funds	Total funds	As restated Total funds
	Notes	2024 £000	2024 £000	2024 £000	2024 £000	2024 £000	2024 £000	2023 £000
Income and endowments from:								
Donations	3	-	683	-	683	-	683	700
Charitable activities	4	11,627	12,375	-	24,002	182	24,184	21,246
Other trading activities	5	7,923	-	-	7,923	-	7,923	7,700
Investments	6	105	-	-	105	-	105	63
Total income and endowments		19,655	13,058	-	32,713	182	32,895	29,709
Expenditure on:								
Trading activities		9,530	-	-	9,530	-	9,530	9,942
Charitable activities	7	8,607	12,878	-	21,485	1,394	22,879	22,439
Total expenditure		18,137	12,878	-	31,015	1,394	32,409	32,381
Net (loss)/income before net losses on investments		1,518	180	-	1,698	(1,212)	486	(2,672)
Net losses on investments		-	-	-	-	-	-	(110)
Net (loss)/income (carried forward)		1,518	180	-	1,698	(1,212)	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	As restated Total funds
		2024 £000	2024 £000	2024 £000	2024 £000	2024 £000	2024 £000	2023 £000
Net (loss)/income (brought forward)		1,518	180	-	1,698	(1,212)	486	(2,782)
Transfers between funds	22	-	-	-	-	-	-	-
Net movement in funds before other recognised gains/(losses)		1,518	180	-	1,698	(1,212)	486	(2,782)
Other recognised gains/(losses)		(782)	-	-	(782)	-	(782)	3,483
Actuarial gains/(losses) on defined benefit pension schemes								
Net movement in funds		736	180	-	916	(1,212)	(296)	701
Reconciliation of funds								
Total funds brought forward		(12,398)	-	750	(11,648)	11,761	113	(588)
Total funds carried forward		(11,662)	180	750	(10,732)	10,549	(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	<i>2023 £000</i>	<i>2023 £000</i>
Fixed assets					
Intangible assets	13		374		794
Tangible assets	14		14,266		15,624
Investments	15		35		35
			<hr/>		<hr/>
			14,675		16,453
Current assets					
Stocks	17	422		475	
Debtors	18	8,479		7,864	
Cash at bank and in hand	26	3,135		1,749	
		<hr/>		<hr/>	
		12,036		10,088	
Creditors: amounts falling due within one year	19	(10,948)		(10,992)	
		<hr/>		<hr/>	
Net current assets/(liabilities)			1,088		(904)
			<hr/>		<hr/>
Total assets less current liabilities			15,763		15,549
Creditors: amounts falling due after more than one year	20		(1,590)		(1,695)
			<hr/>		<hr/>
Net assets excluding pension liability			14,173		13,854
Defined benefit pension scheme liability			(14,356)		(13,741)
			<hr/>		<hr/>
Total net assets/(liabilities)			(183)		113
			<hr/>		<hr/>

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
		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
		10,252	8,183
Creditors: amounts falling due within one year	19	(11,338)	(11,359)
Net current liabilities		(1,086)	(3,176)
Total assets less current liabilities		13,557	13,213
Creditors: amounts falling due after more than one year	20	(1,590)	(1,653)
Net assets excluding pension liability		11,967	11,560
Defined benefit pension scheme liability		(14,356)	(13,741)
Total net (liabilities)		(2,389)	(2,181)

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	8,731	9,763
Unrestricted funds			
General funds	22	2,486	1,047
Pension Reserve	22	(14,356)	(13,741)
Total unrestricted funds	22	(11,870)	(12,694)
Total unrestricted funds	22	(11,870)	(12,694)
Total funds		(2,389)	(2,181)

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

**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

**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.

NIAB

**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
	<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
	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
	10,574	11,865	22,439

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

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**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.

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**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>
	=====	<i>=====</i>	=====	<i>=====</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>
	=====	<i>=====</i>

**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.

**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>
	<hr/> 208 <hr/>	<hr/> <i>170</i> <hr/>

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><u>390</u></u>	<u><u>-</u></u>	<u><u>390</u></u>
At 31 March 2023	<u><u>794</u></u>	<u><u>-</u></u>	<u><u>794</u></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>9,957</u>	<u>2,172</u>	<u>170</u>	<u>1,740</u>	<u>227</u>	<u>14,266</u>
At 31 March 2023	<u>10,795</u>	<u>2,369</u>	<u>204</u>	<u>1,393</u>	<u>863</u>	<u>15,624</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	13,067	9,470	1,668	5,075	227	29,507
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	3,110	7,346	1,498	3,335	-	15,289
Net book value						
At 31 March 2024	9,957	2,124	170	1,740	227	14,218
At 31 March 2023	10,795	2,305	204	1,393	863	15,560

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).

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

15. Fixed asset investments

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

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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	Ordinary
TAG Consulting Limited	05110993		Agriculture	
NIAB Trading Ltd	07390289		Agriculture	
NIAB EMR	09894859	1165055	Horticulture	Ordinary
East Malling Services Ltd.	02335037		Horticulture	

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	<i>192</i>	265	<i>192</i>
Finished goods and goods for resale	157	<i>283</i>	157	<i>167</i>
	422	<i>475</i>	422	<i>359</i>

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	<i>2,815</i>	1,591	<i>1,397</i>
Amounts owed by group undertakings	-	<i>-</i>	2,194	<i>2,078</i>
Other debtors	325	<i>304</i>	173	<i>295</i>
National Institute of Agricultural Botany Trust	27	<i>-</i>	27	<i>-</i>
Prepayments	576	<i>840</i>	573	<i>817</i>
Accrued income	4,998	<i>3,905</i>	3,128	<i>1,666</i>
	8,479	<i>7,864</i>	7,686	<i>6,253</i>

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

19. Creditors: Amounts falling due within one year

	Group 2024 £000	<i>Group 2023 £000</i>	Charity 2024 £000	<i>Charity 2023 £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 2024 £000	<i>Group 2023 £000</i>	Charity 2024 £000	<i>Charity 2023 £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.

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**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	<i>1,500</i>	1,500	<i>1,500</i>
Net obligations under finance lease and hire purchase contracts	67	<i>129</i>	67	<i>129</i>
Other creditors	23	<i>66</i>	23	<i>24</i>
	1,590	<i>1,695</i>	1,590	<i>1,653</i>

	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	<i>214</i>	195	<i>214</i>
Within two to five years	151	<i>213</i>	151	<i>213</i>
	346	<i>427</i>	346	<i>427</i>

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	<i>1,749</i>	2,144	<i>1,571</i>

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 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	<u>750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750</u>
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>

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**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>

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**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>

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**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	<u>750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750</u>
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>

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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
	<u>113</u>	<u>32,895</u>	<u>(32,409)</u>	<u>(782)</u>	<u>(183)</u>

Summary of funds - prior year

	Balance at 1 April 2022 £000	As restated Income £000	As restated Expenditure £000	As restated Gains/ (Losses) £000	Balance at 31 March 2023 £000
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
	<u>(588)</u>	<u>29,709</u>	<u>(32,381)</u>	<u>3,373</u>	<u>113</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.

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.

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**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)

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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	Group 2023 £000
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

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**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

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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>

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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		(782)	-	3,483

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	1,695	1,569
Liabilities at the end of the period	(35,450)	(36,208)

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)
	21,094	22,467

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

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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	2024	2023	2023
	£000	%	£000	%
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	2023	2022	2021	2020
	£000	£000	£000	£000	£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%

**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.

**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%

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

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

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

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.

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

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).