

The Institute for Agriculture and Horticulture – Annual Report and Financial Statements
For the year ended 31 March 2023

The Institute for Agriculture and Horticulture
(A Company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Company No: 03824061
Charity No: 1091213

The Institute for Agriculture and Horticulture – Annual Report and Financial Statements
For the year ended 31 March 2023

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REFERENCE AND ADMINISTRATIVE DETAILS

| | | |
|----------------------------|---|-----------------------------|
| TRUSTEES/DIRECTORS: | R R M Berry | (appointed 27 April 2022) |
| | T W Bradshaw | |
| | B J Dixon | |
| | J J Florsheim | (appointed 27 April 2022) |
| | E D Fursdon | |
| | A J Greed | (appointed 27 April 2022) |
| | J S Haynes | (appointed 27 April 2022) |
| | R W Longthorp | |
| | R D Morley | |
| | S M Oldfield | (appointed 27 April 2022) |
| | O W Piper | |
| | K J Quinton | |
| | J D Swadling | (appointed 27 April 2022) |
| SECRETARY: | S A Crocker | (resigned 25 August 2022) |
| | J Somerfield | (appointed 24 October 2022) |
| REGISTERED OFFICE: | 1 St. James Court Whitefriars Norwich Norfolk NR3 1RU | |
| REGISTERED NUMBERS: | Company No: | 03824061 |
| | Charity No: | 1091213 |
| AUDITOR: | Bishop Fleming Chartered Accountants and Statutory Auditor 10 Temple Back Bristol BS1 6FL | |
| BANKERS: | HSBC Bank UK plc Wesley Square Goole East Yorkshire DN14 5EZ | |

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees, who are Directors of the Institute for Agriculture and Horticulture ('the Charity'), present their annual report and financial statements for the year ended 31 March 2023 (the prior annual report and financial statements were for the fourteen months to 31 March 2022).

Background and Relationship with Department of the Environment, Food and Rural Affairs

Within the agriculture and horticulture industries a Senior Leadership Group (SLG), was formed in 2018, under the chairmanship of Lord Donald Curry, with members from a wide background, to address how to take forward skills development. The SLG decided that it was appropriate to approach the Department of the Environment, Food and Rural Affairs (Defra) for funding to form a new professional institute to support agriculture and horticulture production industries and consequently a business case was prepared. The SLG formed into a Development Board in 2020, with David Fursdon taking the chair, to further develop the project. In the Agricultural Transition Plan 2020, published in November, Defra committed to contribute to support the establishment of a new Institute for Agriculture and Horticulture (TIAH). A key objective for the SLG and the Development Board was to reduce fragmentation and consequently rather than forming a new legal entity consideration was given to existing vehicles that might be appropriate for TIAH. As a result, a successful approach was made to the trustees of the dormant charity, Agskills Limited, for it to be the legal entity for TIAH. Defra gives ongoing commitment and support through the remittance of a 5 year grant which commenced in July 2021. The Charity does not proactively fundraise at present.

Structure, Governance and Management

Governing Document

The Charity is incorporated as a private company limited by guarantee.

The Articles of Association of the Charity detail the objects and powers of the Charity. Whilst the objects of the charity have remained the same, some of the Articles of Association were updated for the first time in 20 years to reflect current practice in the prior year. In the event of the Charity being wound up, members are required to contribute an amount not exceeding £1 each.

Recruitment and Appointment of the Board of Trustees

The TIAH Board is skills based to ensure that it includes experience in financial, legal, digital, marketing and other relevant fields. A skills audit was undertaken which informed the appointment of additional trustees in April 2022.

Trustees are aware of their obligations in law as Trustees and Directors and are encouraged to acquaint themselves with publications and guidance available from the Charity Commission. Members of the Board have access to external Trustee training.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees serving during the year were as follows:

| Name of Trustee | Appointment |
|------------------------|--|
| R R M Berry | 27 April 2022 |
| T W Bradshaw | 22 February 2021 |
| B J Dixon x | 26 December 2019 |
| J J Florsheim | 27 April 2022 |
| E D Fursdon *x | 22 February 2021 |
| A J Greed # | 27 April 2022 |
| J S Haynes | 27 April 2022 |
| R W Longthorp *x | 8 September 1999 |
| R D Morley * | 22 February 2021 |
| S M Oldfield # | 27 April 2022 |
| O W Piper | 22 February 2021 |
| K J Quinton # | 22 March 2021 |
| J D Swadling | 26 December 2019 - resigned on 29 June 2021 and reappointed on 27 April 2022 |

Member of the Audit and Risk Committee

* Member of the Finance and General Purposes Committee

x Member of the People, Remuneration and Nominations Committee

Organisational Structure

The Board of Trustees meets at least four times a year and oversees the future strategy of the Charity, finance and current project work.

The Charity has launched the first five-year strategic plan which is built around the following five key goals:

- to achieve recognition of the industry's professional standards and abilities;
- to deliver a professional framework which informs the development of qualifications and lifelong learning;
- to become recognised as a source of information on careers and progression opportunities;
- to deliver a professional institute that helps transform the industry;
- to establish a business model that ensures TIAH's sustainability.

The Trustees have also established sub committees on Finance and General Purposes, Audit and Risk and People, Remuneration and Nominations to report to the Board and the membership of each are shown above.

The Charity held Trustee Indemnity Insurance during the year.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

Principal risks and uncertainties

The Trustees have examined the major strategic, financial, operational and reputational risks which the charity faces and regularly review what actions can be taken to mitigate these risks. The three risks that would have the highest impact are: a change in Defra policy which results in a change to the grant funding; inflation which results in a reduction of the delivery against the grant and lack of engagement from potential members due not only to cost of living pressures but also failure to market and communicate effectively.

The Charity has policies to mitigate against these risks.

Objectives and Activities

The Charity's aim is to be the home of skills and careers support for those working in the agriculture and horticulture sectors, providing tailored advice and practical tools needed for a prosperous future.

In the consideration of projects, the Trustees have due regard to the Charity Commission's guidance on public benefit. The Trustees always ensure that the transactions undertaken are in line with the aims and objectives of the Charity.

The charitable objects are: To improve agriculture for the benefit of the public at large by the provision of education, training, advice and information for people working in agriculture.

Financial Review

Total income for the year ended 31 March 2023 was £1.8m (2022: £2.4m).

£1.5m (2022: £1.9m) was paid out in respect of the production of the learning platform and content and support costs. £583k (2022: £768k) of this has been capitalised as an asset under construction. Reserves at 31 March 2023 amounted to £1,650k of which £10k was unrestricted funds (2022: £1,330k of which £32k was unrestricted funds).

Reserves and Investment Policy

The Reserves at the year end of £1,650k (2022: £1,330k) are primarily in respect of the Defra grant to be spent on the forthcoming year's budget and the committed funds for the completion of the learning platform. The grant is remitted on specific dates within the year and expenditure is budgeted within this schedule of payments which can be revised in accordance with commitments made. Under the terms of the grant anything that is unspent but not committed cannot be recognised in the year.

The 2024 budget contains a contingency to cover unexpected or increased expenditure within the grant.

The Charity has free reserves of £10,415 (2022: £32,212) and the Trustees will be putting in place an updated reserves policy when the Charity is in a position to offer services to members and receive income in this respect.

The Trustees, having regard to the liquidity requirements of setting up the learning platform and service offering have operated a policy of keeping surplus funds in an interest-bearing deposit account.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

Plans for Future Periods

The Trustees intend to work to the strategic plan with close collaboration with those in the industry and Government. They will continue to engage in meaningful discussion with partners to ensure that TIAH is credible and trusted as it addresses the industry's shifting needs and can support long-term, sustainable change.

Further details on the Institute for Agriculture and Horticulture activity can be found on the TIAH website at <http://www.tiah.org>

Trustees' Responsibilities

The Trustees, who are directors of the Charity, are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the Generally Accepted Accounting Practice in the UK. Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that year. 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 Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

Appointment of Statutory Auditor

Bishop Fleming have been appointed as auditor in the financial year 22/23 and have signified their willingness to continue in office in the forthcoming year.

Statement of Disclosure to the Statutory Auditor

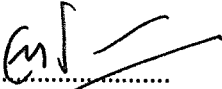
The Trustees have taken all necessary steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. As far as the Trustees are aware, there is no relevant audit information of which the Charity's auditor are unaware.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The Annual Report was approved by the Board of Trustees on 30 October 2023 and signed on their behalf by:


.....
E D Fursdon, TIAH Chair

Independent Auditor's Report to the Members of The Institute for Agriculture and Horticulture

OPINION

We have audited the financial statements of The Institute for Agriculture and Horticulture (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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 charity'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.

Independent Auditor's Report to the Members of The Institute for Agriculture and Horticulture

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Independent Auditor's Report to the Members of The Institute for Agriculture and Horticulture

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charity 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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:

- we have considered the nature of the sector, control environment and financial performance of the entity;
- we have considered the results of enquiries with management and Trustees in relation to their own identification and assessment of the risk of irregularities within the entity; and
- we have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and FRS 102 and UK tax legislation.

Independent Auditor's Report to the Members of The Institute for Agriculture and Horticulture

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or avoid a material penalty.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing board meeting minutes;
- enquiring of management in relation to actual and potential claims or litigations;
- performing detailed transactional testing in relation to the recognition of revenue with a particular focus around year-end cut off; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

OTHER MATTERS

Independent Auditor's Report to the Members of The Institute for Agriculture and Horticulture

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Butler FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date: 15 December 2023

**STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR TO 31 MARCH 2023**

| | | | | Year to 31 March 2023 | 14 months to 31 March 2022 |
|--|-------------|-------------------------------|-----------------------------|--------------------------------------|---|
| | Note | Unrestricted Funds | Restricted Funds | Total | Total |
| | | £ | £ | £ | £ |
| INCOME FROM: | | | | | |
| Voluntary income | 2 | - | 1,800,000 | 1,800,000 | 2,459,298 |
| Investment income | | 2,083 | - | 2,083 | 19 |
| TOTAL INCOME | | <u>2,083</u> | <u>1,800,000</u> | <u>1,802,083</u> | <u>2,459,317</u> |
| EXPENDITURE ON: | | | | | |
| Charitable activities | 3 | 23,880 | 1,457,719 | 1,481,599 | 1,133,030 |
| TOTAL EXPENDITURE | | <u>23,880</u> | <u>1,457,719</u> | <u>1,481,599</u> | <u>1,113,030</u> |
| NET MOVEMENT IN FUNDS | | (21,797) | 342,281 | 320,484 | 1,326,287 |
| TOTAL FUNDS BROUGHT FORWARD | 11 | <u>32,212</u> | <u>1,297,493</u> | <u>1,329,705</u> | <u>3,418</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u>10,415</u> | <u>1,639,774</u> | <u>1,650,189</u> | <u>1,329,705</u> |

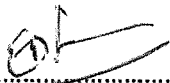
The notes on pages 15 to 21 form an integral part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2023

| | Note | Unrestricted Funds £ | Restricted Funds £ | 31 March 2023 Total £ | 31 March 2022 Total £ |
|---|------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| FIXED ASSETS | | | | | |
| Intangible fixed assets | 8 | - | 1,359,990 | 1,359,990 | 768,156 |
| CURRENT ASSETS | | | | | |
| Debtors | 9 | - | 150 | 150 | 3,366 |
| Cash & cash equivalents | 10 | 10,415 | 391,349 | 401,764 | 912,929 |
| TOTAL CURRENT ASSETS | | 10,415 | 391,499 | 401,914 | 916,295 |
| CREDITORS: amounts falling due within one year | 11 | - | 111,715 | 111,715 | 354,746 |
| Net current assets | | 10,415 | 279,784 | 290,199 | 561,549 |
| Net assets | | 10,415 | 1,639,774 | 1,650,189 | 1,329,705 |
| FUNDS OF THE CHARITY | | | | | |
| Total funds | 12 | 10,415 | 1,639,774 | 1,650,189 | 1,329,705 |

The accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relative to small companies.

The financial statements were approved and authorised for issue by the Board of Trustees on 30 October 2023
..... and signed on its behalf by:


.....
E D Fursdon, TIAH Chair

The notes on pages 15 to 21 form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

| | Year to 31 March 2023 £ | 14 months to 31 March 2022 £ |
|---|--|---|
| Cash flows from operating activities: | | |
| Net movement in funds | 320,484 | 1,326,287 |
| Decrease/(increase) in debtors | 3,216 | (3,366) |
| (Decrease)/increase in creditors | (243,031) | 354,746 |
| Net cash inflow from operating activities | 80,669 | 1,677,667 |
| Cashflow from investing activities: | | |
| Purchase of intangible fixed assets | (591,834) | (768,156) |
| Net increase/(decrease) in cash & cash equivalents | (511,165) | 909,511 |
| Opening cash & cash equivalents | 912,929 | 3,418 |
| Movement in the year/period | (511,165) | 909,511 |
| Cash and cash equivalents at the year/period end | 401,764 | 912,929 |

The notes on pages 15 to 21 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding period.

1.1 General information

The Institute for Agriculture and Horticulture is a company limited by guarantee, incorporated in England and Wales. The address of its registered office and its registered numbers are disclosed on page 1. The Charity changed its name from Agskills Limited during the prior period.

The principal activity of the charity is as the professional body for those working in the agriculture and horticulture sector.

The annual report and financial statements are for the year ended 31 March 2023 (the prior annual report and financial statements were for the fourteen months to 31 March 2022). The financial statements are presented in Sterling and this is the functional currency of the Charity. The financial statements are rounded to the nearest whole pound.

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice: 'Accounting and Reporting by Charities' (SORP 15), the Financial Reporting Standard applicable in the United Kingdom and Ireland (FRS102) and the Charities and Companies Acts.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity and which have not been designated for other purposes. The charity's general fund may be used by the charity at its discretion to further its stated charitable objectives.

1.4 Income

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources,
- the Trustees are probable they will receive the resources, and
- the monetary value can be measured with sufficient reliability.

1.5 Expenditure

All support costs incurred have been allocated between charitable expenditure and governance as appropriate.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES (CONTINUED)

1.6 Allocation of costs

All expenditure and liabilities are included on an accruals basis and recognised when there is a legal or constructive obligation to pay out resources.

1.7 Financial Instruments

The Institute for Agriculture and Horticulture only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction values and subsequently measured at their settlement value.

1.8 Intangible fixed assets

These costs represent the construction of the learning platform and are recognised as the work progresses. Amortisation is not charged as the platform is under construction.

1.9 Capitalisation

On-line development costs are capitalised as intangible assets as they arise. These include external costs associated with advancing the platform to completion. Any related internal management resource costs and external ongoing support costs are expensed.

The asset is defined as under construction and not amortised until it is complete and anticipated to be producing future benefits. Amortisation will be charged over an expected useful life of 10 years.

1.10 Cash and Cash equivalents

Cash and cash equivalents are cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Going concern

These financial statements have been prepared on a going concern basis. The Defra grant is subject to a rigorous budgeting function and the Trustees and executive team monitor these budgets on a monthly basis, so they cumulatively fall within the annual grant. Therefore, the Trustees are of the opinion that there are adequate resources available to continue trading for a period of at least 12 months, and TIAH is a going concern.

1.12 Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees do not consider there to be any significant judgements, estimates or assumptions in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2023

2 INCOME

| | Unrestricted Funds £ | Restricted Funds £ | Year to 31 March 2023 £ | 14 months to 31 March 2022 £ |
|------------------|----------------------------|--------------------------|-------------------------------|---------------------------------------|
| Donation | - | - | - | 60,000 |
| Grant from Defra | - | 1,800,000 | 1,800,000 | 2,399,298 |
| | - | 1,800,000 | 1,800,000 | 2,459,298 |

3 EXPENDITURE

| | Unrestricted Funds £ | Restricted Funds £ | Year to 31 March 2023 £ | 14 months to 31 March 2022 £ |
|------------------------------|----------------------------|--------------------------|-------------------------------|---------------------------------------|
| Charitable activities | | | | |
| Development of services | - | 449,436 | 449,436 | 493,473 |
| Support costs (note 4) | - | 1,008,283 | 1,008,283 | 608,332 |
| Governance costs (note 5) | 23,880 | - | 23,880 | 31,225 |
| | 23,880 | 1,457,719 | 1,481,599 | 1,133,030 |

4 SUPPORT COSTS

| | Year to 31 March 2023 £ | 14 months to 31 March 2022 £ |
|--|-------------------------------|------------------------------------|
| Staff salaries and related expenses | 850,550 | 450,274 |
| Accounting fees | 24,621 | 34,797 |
| Business support and advice | 26,462 | 62,391 |
| Legal fees | 10,802 | 7,141 |
| Insurance | 13,259 | 4,729 |
| Travel, subsistence and meeting costs | 50,798 | 12,255 |
| Computer equipment and software expensed | 8,119 | 30,605 |
| General expenses | 23,672 | 6,140 |
| | 1,008,283 | 608,332 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

5 GOVERNANCE COSTS

| | Unrestricted Funds £ | Restricted Funds £ | Year to 31 March 2023 £ | 14 months to 31 March 2022 £ |
|---------------------------|----------------------------|--------------------------|-------------------------------|---------------------------------------|
| Audit fees | 17,000 | - | 17,000 | 12,000 |
| Trustee insurance | 2,004 | - | 2,004 | 1,574 |
| Legal and accounting fees | 4,876 | - | 4,876 | 17,651 |
| | - | - | - | - |
| | <u>23,880</u> | <u>-</u> | <u>23,880</u> | <u>31,225</u> |

No trustee received remuneration in the year to 31 March 2023, or received reimbursed expenses (2022: £nil). Trustee Indemnity Insurance was also in place during the year.

6 STAFF COSTS

| | Year to 31 March 2023 £ | 14 months to 31 March 2022 £ |
|-----------------------|-------------------------------|------------------------------------|
| Wages and salaries | 655,564 | 368,638 |
| Social Security costs | 76,255 | 41,922 |
| Pension costs | 56,708 | 27,421 |
| | <u>788,527</u> | <u>437,981</u> |

The average number of employees for the year was 13 (2022: 11).

The number of persons employed by the company during the year who received emoluments (including taxable benefits in kind) in the following ranges in excess of £60,000 was as follows:

| | 2023 Number | 2022 Number |
|-------------------|----------------|----------------|
| £60,001 - £70,000 | 3 | - |
| £70,001 - £80,000 | - | 1 |

Total remuneration for key management personnel including pension payments totalled £381,000 for 7 posts (2022: £291,674 for 5 posts).

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

7 TAXATION

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

8 INTANGIBLE FIXED ASSETS

| | Asset under construction | Total |
|-------------------------|-----------------------------|------------------|
| | £ | £ |
| Cost | | |
| At 1 April 2022 | 768,156 | 768,156 |
| Additions | 591,834 | 591,834 |
| At 31 March 2023 | <u>1,359,990</u> | <u>1,359,990</u> |

Assets under construction represent costs incurred in the development of the learning platform. No amortisation has been charged as the asset is not yet in use.

9 DEBTORS

| | Year to 31 March 2023 | 14 months to 31 March 2022 |
|-------------|--------------------------|-------------------------------|
| | £ | £ |
| Prepayments | <u>150</u> | <u>3,366</u> |

10 CASH & CASH EQUIVALENTS

| | Year to 31 March 2023 | 14 months to 31 March 2022 |
|------------------|--------------------------|-------------------------------|
| | £ | £ |
| Current accounts | <u>401,764</u> | <u>912,929</u> |

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

11 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Year to 31 March 2023 | 14 months to 31 March 2022 |
|------------------|--------------------------|-------------------------------|
| | £ | £ |
| Trade creditors | 61,347 | 189,008 |
| Accruals | 38,751 | 157,785 |
| Pension creditor | 10,716 | 5,985 |
| Other creditors | 901 | 1,968 |
| | <u>111,715</u> | <u>354,746</u> |

12 FUNDS

| | As at 1 April 2022 | Income | Expenditure | Transfer | As at 31 March 2023 |
|--------------|-----------------------|------------------|--------------------|----------|------------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted | 32,212 | 2,083 | (23,880) | - | 10,415 |
| Restricted: | | | | | |
| Income | 518,777 | 1,216,708 | (1,455,701) | - | 279,784 |
| Capital | 778,716 | 583,292 | (2,018) | - | 1,359,990 |
| Total funds | <u>1,329,705</u> | <u>1,802,083</u> | <u>(1,481,599)</u> | <u>-</u> | <u>1,650,189</u> |

Restricted funds represent the amounts received from Defra in respect of the grant given to establish the Charity as the professional body for agriculture and horticulture workers.

The Capital reserves are represented by an Asset under Construction of £1,359,990 (2022: £768,156) and Cash to be spent of £Nil (2022: £10,560). Expenditure of £2,018 (2022: £9,768) on small hardware items was expensed from this fund in the year in accordance with the Charity's capitalisation policy.

13 RELATED PARTIES

There were no related party transactions made in the year.

14 COMMITMENTS

The Institute for Agriculture and Horticulture had commitments of £1.347m (2022: £1.8m) at the year end for the completion of the learning portal which is currently under construction. These have not been provided for in the financial statements as they are subject to conditions being met before payment but form part of the Defra grant to be received over the forthcoming years.