
National Institute of Agricultural Botany Trust

Trustees' Report and Financial Statements

For the Year Ended 31 March 2020

National Institute of Agricultural Botany Trust

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National Institute of Agricultural Botany Trust

Reference and Administrative Details of the Charity, its Trustees and Advisers For the Year Ended 31 March 2020

Trustees

J W Lewis, Chairman
Dr. C W Looker
R Pemberton
J A Elliot
Dr. H Ferrier
C B Montgomery
R C Butler
A W Slack (resigned 21 August 2019)

Company registered number 7823588

Charity registered number 1144528

Registered office 93 Lawrence Weaver Road
Cambridge
CB3 0LE

Company secretary S C Masson

Independent auditors Crowe U.K. LLP
Statutory Auditors
55 Ludgate Hill
London
EC4M 7JW

Bankers Barclays Bank plc
1 Churchill Place
Canary Wharf
London
E14 5HP

Solicitors Birketts LLP
22 Station Road
Cambridge
CB1 2JD

Ashton KCJ
Chequers House
77-81 Newmarket Road
Cambridge
CB5 8EU

Property Bidwells
Trumpington Road
Cambridge
CB2 2LD

National Institute of Agricultural Botany Trust

Reference and Administrative Details of the Charity, its Trustees and Advisers (continued)
For the Year Ended 31 March 2020

St Andrews Bureau
18 Mill Road
Cambridge
CB1 2AD

Strutt and Parker
66-68 Hills Road
Cambridge
CB2 1LA

Carter Jonas LLP
One Station Square
Cambridge
CB1 2GA

Savills
132-134 Hills Road
Cambridge
CB2 8PA

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT

STRATEGIC REVIEW

Background

The National Institute of Agricultural Botany was founded by Deed of Trust in 1919. It was regulated by a scheme made by the Secretary of State for Education and Science until 1998, when a new structure was agreed which saw the formation of two charities which would operate in tandem. The National Institute of Agricultural Botany Trust provide land, facilities and financial support to NIAB, which the Trust determine is the preferred vehicle to deliver its charitable objectives. The activities of the unincorporated Trust were transferred to a new charitable company of the same name in 2012.

Mission and Vision

The specific objects of the National Institute of Agricultural Botany Trust are the promotion of agriculture, horticulture and arboriculture anywhere in the world by charitable means, including the provision of support to NIAB. (Charity No. 1064230).

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

NIAB's vision is to connect the science base and industry by providing an integrated research and knowledge transfer hub for the entire crop improvement pipeline.

Strategy

The strategy of the Trust is to support NIAB through the provision of land, facilities and finance for investment in scientific research. The current focus is on the provision of facilities, and in recent years the Trust has embarked on a programme of land sales and the renewal of the facilities which NIAB occupies.

The focus has been on the completion of state of the art research facilities, creating a Crop Science Campus on the outskirts of Cambridge.

The successful completion of a programme of re-investment has provided a new HQ Building off Lawrence Weaver Road, as well as the augmentation of facilities at the Park Farm Site.

These facilities will underpin crop science research, globally supporting the activities of NIAB, including the partnership with Cambridge University, the Crop Science Centre.

Public Benefit

The Trust provides facilities, research funding and other support to NIAB, which has underpinned the provision of independent science-based research and information to agriculture. The Trust seeks to:

- advance science for public benefit, primarily through the provision of funding and facilities to NIAB ;
- support the transfer of plant science into practice, through the support provided to NIAB Innovation Farm and the Crop Science Centre which will foster the translation of fundamental research into crop pre-breeding activities, and provide a forum for plant breeders and crop protection industries to address key bottlenecks in crop genetic diversity and resource use at the field scale; and
- promote agriculture, horticulture and arboriculture anywhere in the world by such charitable means as the Directors shall determine. NIAB's research has global reach, and through a number of partnerships, addresses issues in agriculture in developing countries as well as in the developed world.

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

Performance

Our performance against our 2019/20 objectives are highlighted in the table below:-

Objectives	Performance
Complete the buildings works at Park Farm, Lawrence Weaver Road, including the Crop Science Building on time and on budget.	<p>The buildings works at Park Farm were completed, with the opening of Barn 1 in June 2019.</p> <p>The new HQ development including the Crop Science Building was completed in March 2020.</p> <p>Both developments were completed on time and within budget, and are now occupied by staff from NIAB and The University of Cambridge, in support of its charitable objectives.</p>
Consider further funding opportunities to continue to develop the Park Farm site.	<p>Funding has been received from the Cambridge and Peterborough Combined Authority to provide a new building comprising incubator space (both office and lab) for start-up agritech companies which will be managed by NIAB. Construction will be completed by March 2021.</p>
Finalise and implement the agreements with NIAB and the NIAB Pension Scheme resulting in the regulatory action by the Pensions Regulator to cease	<p>Agreements were signed on 19 December 2019 and the regulator ceased its actions on the same day.</p>
Provision of facilities, research funding and covenant support to NIAB.	<p>Sales of properties continue to complete on schedule</p> <p>The Trust continues to support NIAB in the provision of facilities and research funding. The site development activities have provided new and replacement facilities which will underpin the delivery of charitable activities for the foreseeable future.</p> <p>The Trust is providing covenant support in respect of the NIAB Pension Scheme deficit as it is now a participating employer in the scheme and therefore stands beside NIAB.</p>

Objectives for 2020/21

The National Institute of Agricultural Botany Trust will address the following objectives in the forthcoming year:-

- Completion of Barn 4 construction on time and on budget. Barn 4 construction is scheduled to house agritech SME's in furtherance of NIAB's charitable objectives.
- Manage sale of properties held for sale and ensure cash flow remains strong and with ongoing ability to support NIAB. Darwin Green land sales next instalment received in July 2020 and the next due in July 2021
- Provision of facilities, research funding and covenant support to NIAB.
- Provision of funding for 2 Fellowships at the University of Cambridge, supporting the Crop Science Centre which is the alliance between NIAB and the University.

FINANCIAL REVIEW

Income

The total incoming resources for the year were £2.9m (2019: restated £10.2m). Included in the income for 2019 were £8.6m relating to the sale of the HQ building. The income for 2020 includes a donation of £2m towards the building of new facilities and the remainder is derived from charges for the use of the Trust's charitable assets, as well as investment income and other activities. Other funding sources include realised proceeds from sale of surplus assets from property developers.

Expenditure

The total outgoing expenditure totalled £5,503k (2019: £4,707k) made up as follows:

	2020 £'000	2019 £'000
Research funding to NIAB	1,000	1,000
Further support to NIAB	1,272	1,877
Cambridge University committed	1,000	0
Administrative costs	125	125
Bank interest	117	106
Professional fees	756	475
Depreciation	661	492
Asset write down	220	0
Property development	118	91
Paid to DEFRA	0	441
Other	234	100
TOTAL	5,503	4,707

Capital Expenditure

The charity funded the capital purchases from unrestricted reserves. Capital additions for the year total £20,067k (2019: £18,498k). A significant portion of the year's capital purchase was funded by a contribution from the University of Cambridge which has been accounted for as deferred income to be recognised through the SOFA over the economic life of the asset. The amount received from the University was effectively an incentive to enter into a lease with them for the property they will occupy under that lease.

Business Review and key performance indicators

The following financial indicators have been reviewed:-

	2020 £'000	2019 £'000
Charitable Expenditure	5,503	4,707
Income from Investments	291	305
Support Costs	344	580

The Charitable Expenditure is a measure of the facilities and research funding provided to NIAB. The Trustees have

considered how they can best demonstrate the impact of this funding and how it can be measured.

Prior year restatement

The trustees reviewed the policy of carrying fixed asset properties at fair valuation using market values. A number of the properties are specialised in nature because they are designed for specific functional activities. The fair valuation being market valuation is therefore not a fair reflection of the assets enabling it and NIAB to carry out their activities. The trustees have therefore decided to revert back to cost as that provides a more meaningful reflection of the properties value to the Trust. The impact of this restatement is set out note 4 to the accounts.

Investment Policy

Land

Surplus land assets are subject to a consortium agreement and will be disposed of in due course. The Trustees will seek to obtain the maximum sale proceeds available.

Redundancy Fund

Capital sums are held separately in respect of the NIAB Redundancy Fund. This fund was established to provide for the redundancy costs associated with staff in post as at 31 March 1996. Interest on capital is refunded to Defra, together with repayment of capital when staff leave NIAB through retirement/resignation. Sums relating to this fund are disclosed within note 14. The capital sum relating to the 1996 provision at 31 March 2020 was £781k (2019: £936k).

Going Concern

The Trust delivers its charitable objects primarily through its support for NIAB (Charity No: 1064230). The two charities were formed in 1998, following the separation of the National Institute of Agricultural Botany from government in 1996. The Trust held the charitable assets from the original charitable scheme, and the operational activities were transferred to NIAB. The two charities have continued to work closely, the trustees continue to believe that NIAB is the best vehicle to deliver the charitable objects of the Trust.

When the new legal structure was finalised in 1998, NIAB became the sponsoring employer of a defined benefit pension scheme, the NIAB (1996) Pension Scheme (the Scheme).

The NIAB (1996) Pension Scheme ('Scheme') was established in 1996 following NIAB's separation from government and establishment as a not-for-profit. NIAB has taken steps to manage the Scheme deficit, closing the Scheme to new members in 2001 and to future accrual in 2007. The current Scheme deficit is £13,987k (2019: £18,773k), which moves the NIAB group balance sheet to a deficit of £11,652k (2019: deficit

£13,957k), and the charity only balance sheet into a deficit of £11,744k (2019: deficit £14,615k).

The Trust is a participating employer in the Scheme with NIAB. This means that the entire deficit liability of the pension scheme could fall to the TRUST, and the assets of the TRUST support NIAB's balance sheet in providing the employer covenant, and the recovery payments agreed under the recovery plan.

The trustees have reviewed the cash flow supporting its own activities for the next four years. It has also considered the NIAB management projections and cash flow projections to ensure there is sufficient resources within the TRUST to be able to fully support its own and NIABs' activities and financial position for the foreseeable future, being at least twelve months from the date of approval of these financial statements.

The TRUST's NET current liabilities at 31 March 2020 were £8.4m. Included in its creditors were the following:

Cambridge University revolving loan	£5.0m
Barclays Bank revolving loan	£1.0m
DEFRA share of sale of surplus assets	£4.9m

Proceeds from sale of surplus land to developers is scheduled to be receivable as follows:

£2.5m July 2020
£5.6m July 2021
£5.6m July 2022
£7.7m July 2023

Therefore in terms of cash flow the Trust has contracted income due on dates which will ensure it is able to pay back its loans as they fall due.

The NIAB Trust have considered the financial position of NIAB and the funding required to support NIAB in the future. The NIAB financial position suggests that over the medium term (to 31 March 2022) under some scenarios it is possible that in order to ensure NIAB remains viable the Trust may need to provide short term lending to NIAB of up to £2m. The Trustees have considered this and have agreed to provide a letter of comfort

to NIAB. The Trustees have provided that comfort letter having considered the financial position of the TRUST and are satisfied that the TRUST can provide that support as and when it is required without having a significant impact on its own ability to continue as a going concern.

The trustees therefore have a reasonable expectation that the Trust 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, and are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

Reserves Policy

The Trustees have reviewed the reserves of the Trust. There has been considerable cost associated with making the land available for development. The Trustees deem the current level of reserves as appropriate given their current commitments.

The Trustees will re-consider their reserves policy in conjunction with the allocation of proceeds from land sale and longer term asset finance. The Trustees will seek to balance the aim of maintaining the value of its total reserves position with their desire to provide to NIAB continuing annual funding for research initiatives and support.

The Trust had total reserves of £54.3m at the balance sheet date of which £4.5m is restricted and £49.8m is unrestricted.

Accounting Period

The financial year is 28 March 2020, however the financial statements continue to be prepared to 31 March 2020 as permitted by section 390(3) of the Companies Act 2006.

RISK ASSESSMENT AND MANAGEMENT

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

Principal Risks and Uncertainties

Risk Area	Risk	Management
Covid-19	<ul style="list-style-type: none"> Reduction in income as a result of property developer being unable to fulfil contractual commitments on payment schedules. Reduction in income from rental properties if tenants are affected by Covid-19. Loss of key staff providing administrative support for TRUST activities. Failure to maintain utilisation of properties for charitable purposes because of necessary social distancing and ability to keep staff safe on site. 	<ul style="list-style-type: none"> Monitoring of property developers through landowners consortium. Rental income is managed by agents and to the date of signing these accounts, none of the current tenants have requested rental holidays. NIAB Executive continue to provide support of TRUST activities. NIAB has sufficient staff resources to be able to manage the administrative support of TRUST. All TRUST operational properties have remained open. NIAB have managed Covid-19 related risk assessments to allow continued use of the properties for charitable purposes.
Compliance	<ul style="list-style-type: none"> Performance of contractual obligations with third parties Delivery of Charitable Objects 	<ul style="list-style-type: none"> Clear delegation to NIAB for management of key projects and contracts, with regular reporting back to the Trustees. The Chairman of the Trust attends NIAB Board meetings by invitation. NIAB reports regularly to the Trustees regarding its activities and reports specifically on the impact of Trust support.
Financial	<ul style="list-style-type: none"> Failure to generate sufficient funds to support planned activities Risks related to Site Development Project 	<ul style="list-style-type: none"> The Finance Committee monitor plans and financial forecasts to ensure a regular review of on-going commitments and review of the reserves policy. Day to day management delegated to NIAB COO who reports to both TRUST and NIAB Board regarding project progress and expenditure. Trust approved all expenditure relating to capital projects. The development programme is supported by legal and professional advisors who report regularly to the project team. Long term cash flow forecasts are reviewed regularly.

	<ul style="list-style-type: none"> The NIAB (1996) Pension Scheme deficit – the next valuation will be on 31 March 2021. 	<ul style="list-style-type: none"> NIAB Executive in consultation with the Trustees of NIAB, the TRUST, the Scheme and professional advisors will continue to manage the Scheme and ensure that any agreed contribution payments are affordable to both NIAB and NIAB TRUST.
Strategy / Process	<ul style="list-style-type: none"> Capital Projects not delivered on time or not to budget 	<ul style="list-style-type: none"> Professional services are appropriately procured from 3rd parties; all projects have their own risk register; contracts contain penalty clauses where appropriate; regular financial and project reports are provided to Trustees.

STRUCTURE, GOVERNANCE and MANAGEMENT

Members and Board of Trustees

The members of the Trust are the Trustee/Directors. The Board of Trustees comprises the Chair and up to seven additional trustee directors.

The Board has established the following sub-committees:-

- Finance (1)

The following Trustees have served during the period:

J W Lewis	1	(Chair)
Dr C W Looker	1	
R Pemberton		
A M Slack		(retired 21/8/2019)
R C Butler		
J A Elliot	1	
Dr H Ferrier		

Recruitment, induction and training of Trustees

The National Institute of Agricultural Botany Trust 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.

Organisation and governance

The National Institute of Agricultural Botany was founded by a Deed of Trust dated 13 January 1919 and, up until 31 March 1998 regulated by a scheme made by the Secretary of State for Education and Science under section 18 of the Charities Act 1960. The Institute's registered charity number was 306069.

A new structure was initiated in 1996 and agreed with the Charity Commission from 1 April 1998, which saw the formation of two charities which would operate in tandem. The National Institute of Agricultural Botany Trust provide land, facilities and financial support to the National Institute of Agricultural Botany (NIAB) who perform the charitable activities. The activities of the unincorporated entity were transferred to a new charitable company on 6th July 2012.

The National Institute of Agricultural Botany Trust was incorporated in England and Wales as a company limited by guarantee on 26 October 2011, and is governed by its Memorandum and Articles of Association dated 26 October 2011, and amended 19 July 2013. It is registered as a charity with the Charity Commission (Charity No: 1144528). Its principal operating address is 93 Lawrence Weaver Road, Cambridge, CB3 0LE.

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

Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

Governance Code

The Trustees will be reviewing the Charity Code of Governance in how best to enhance the organisation's effectiveness

Fundraising

The Trust carried out no fundraising activity in the year.

Charge

When the structure was changed in 1996, the interests of DEFRA were expressed within a legal charge over certain properties and parcels of land. The original 1996 Debenture was revised in 2007, as a result of negotiations regarding land sales. The fair value of this interest (£3,936k) is detailed in note 27.

Trustee Remuneration

Charity Commission approval has been received to enable the Trust to make payments to Trustees. The Trust provides an honorarium for the Chairman of the Board and the Chairman of the Finance Committee. In addition to this, a per diem fee is payable to qualifying Trustees. This is subject to regular review.

Decision making and key management

The Board of Directors (Trustees) administer the company, and meet quarterly.

The Trust has no employees. To facilitate effective operations, members of the executive within NIAB have delegated authority, within terms of delegation approved by the trustees, for operational matters.

Liability Insurance

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

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

The trustees (who are also directors of the Trust 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 company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 company 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 company'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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

A resolution to reappoint Crowe U.K. LLP, Chartered Accountants, will be put to the members at the Annual General Meeting, in accordance with section 485 of the Companies Act 2006.

The Trustees approve the Trustees Report, incorporating the Strategic Report, and financial statements which are signed on behalf of the Board of Trustees of The National Institute of Agricultural Botany Trust



J W Lewis, Trustee
Date: 16 December 2020

Independent Auditors' Report to the Members of National Institute of Agricultural Botany Trust

Opinion

We have audited the financial statements of National Institute of Agricultural Botany Trust (the 'charity') for the year ended 31 March 2020 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 charitable company's affairs as at 31 March 2020 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditors' Report to the Members of National Institute of Agricultural Botany Trust (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- 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.

Independent Auditors' Report to the Members of National Institute of Agricultural Botany Trust (continued)

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Naziar Hashemi
Senior statutory auditor
for and on behalf of
Crowe U.K. LLP
Statutory Auditors
London

Date: 18 December 2020

National Institute of Agricultural Botany Trust

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 March 2020

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>As restated</i> <i>Total</i> <i>funds</i> <i>2019</i> <i>£000</i>
	Note				
Income from:					
Donations and legacies	5	2,000	-	2,000	771
Charitable activities	6	518	-	518	500
Investments	7	291	-	291	305
Disposal of property	8	67	-	67	8,591
Total income		2,876	-	2,876	10,167
Expenditure on:					
Charitable activities	10	5,477	26	5,503	4,707
Net (expenditure)/income		(2,601)	(26)	(2,627)	5,460
Net gains on investments		1,052	-	1,052	2,613
Net movement in funds		(1,549)	(26)	(1,575)	8,073
Reconciliation of funds:					
Total funds brought forward		51,337	4,496	55,833	47,760
Total funds carried forward		49,788	4,470	54,258	55,833

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

The notes on pages 16 to 40 form part of these financial statements.

National Institute of Agricultural Botany Trust
Registered number: 7823588

Balance Sheet
As at 31 March 2020

		2020 £000	As restated 2019 £000
	Note		
Fixed assets			
Tangible assets	15	52,151	32,965
Investment property	16	24,747	27,693
		<u>76,898</u>	<u>60,658</u>
Current assets			
Debtors	17	2,932	9,369
Cash at bank and in hand		1,071	1,516
		<u>4,003</u>	<u>10,885</u>
Creditors: amounts falling due within one year	18	(12,334)	(13,775)
Net current liabilities		<u>(8,331)</u>	<u>(2,890)</u>
Total assets less current liabilities		<u>68,567</u>	<u>57,768</u>
Creditors: amounts falling due after more than one year	19	(13,528)	(999)
Provisions for liabilities	21	(781)	(936)
Net assets		<u>54,258</u>	<u>55,833</u>
Total net assets		<u><u>54,258</u></u>	<u><u>55,833</u></u>
Charity funds			
Restricted funds	23	4,470	4,496
Unrestricted funds	23	49,788	51,337
Total funds		<u><u>54,258</u></u>	<u><u>55,833</u></u>

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

J W Lewis

Date: 16 December 2020



The notes on pages 18 to 42 form part of these financial statements.

National Institute of Agricultural Botany Trust

**Statement of Cash Flows
For the Year Ended 31 March 2020**

	2020	<i>As restated</i> 2019
	£000	£000
Cash flows from operating activities		
Net cash used in operating activities (note 25)	4,542	<i>(5,999)</i>
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	292	<i>305</i>
Proceeds from the sale of tangible fixed assets	-	<i>14,711</i>
Purchase of tangible fixed assets	(20,790)	<i>(18,498)</i>
Proceeds from sale of investments	4,065	<i>4,620</i>
Interest paid	(117)	<i>(106)</i>
	<hr/>	<hr/>
Net cash (used in)/provided by investing activities	(16,550)	<i>1,032</i>
	<hr/>	<hr/>
Cash flows from financing activities		
Cash inflows from new borrowing	(850)	<i>5,500</i>
Cash inflow from contribution to capital	12,413	<i>-</i>
	<hr/>	<hr/>
Net cash provided by financing activities	11,563	<i>5,500</i>
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(445)	<i>533</i>
Cash and cash equivalents at the beginning of the year	1,516	<i>983</i>
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	1,071	<i>1,516</i>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 18 to 42 form part of these financial statements

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

1. General information

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

2. Accounting policies

2.1 Going concern

The Trust delivers its charitable objects primarily through its support for NIAB (Charity No: 1064230). The two charities were formed in 1998, following the separation of the National Institute of Agricultural Botany from government in 1996. The Trust held the charitable assets from the original charitable scheme, and the operational activities were transferred to NIAB. The two charities have continued to work closely, the trustees continue to believe that NIAB is the best vehicle to deliver the charitable objects of the Trust.

When the new legal structure was finalised in 1998, NIAB became the sponsoring employer of a defined benefit pension scheme, the NIAB (1996) Pension Scheme (the Scheme).

The NIAB (1996) Pension Scheme ('Scheme') was established in 1996 following NIAB's separation from government and establishment as a not-for-profit. NIAB has taken steps to manage the Scheme deficit, closing the Scheme to new members in 2001 and to future accrual in 2007. The current Scheme deficit is £13,987k (2018: £18,773k), which moves the NIAB group balance sheet to a deficit of £11,652k (2019: deficit £13,957k), and the charity only balance sheet into a deficit of £11,744k (2019: deficit £14,615k).

The Trust is a participating employer in the Scheme with NIAB. This means that the entire deficit liability of the pension scheme could fall to the TRUST, and the assets of the TRUST support NIAB's balance sheet in providing the employer covenant, and the recovery payments agreed under the recovery plan.

The trustees have reviewed the cash flow supporting its own activities for the next four years. It has also considered the NIAB management projections and cash flow projections to ensure there is sufficient resources within the TRUST to be able to fully support its own and NIAB's' activities and financial position.

The TRUST's NET current liabilities at 31 March 2020 were £8.4m. Included in its creditors were the following:

Cambridge University revolving loan	£5.0m
Barclays Bank revolving loan	£1.0m
DEFRA share of sale of surplus assets	£4.9m

Proceeds from sale of surplus land to developers is scheduled to be receivable as follows:

July 2020	£2.5m
July 2021	£5.6m
July 2022	£5.6m
July 2023	£7.7m

Notes to the Financial Statements
For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.1 Going concern (continued)

Therefore in terms of cash flow the Trust has contracted income due on dates which will ensure it is able to pay back its loans as they fall due.

Supporting NIAB's activities will require ongoing funding.

The NIAB Trust have considered the financial position of NIAB and the funding required to support NIAB in the future. The NIAB financial position suggests that over the medium term (to 31 March 2022) under some scenarios it is possible that in order to ensure NIAB remains viable the Trust may need to provide short term lending to NIAB of up to £2m. The Trustees have considered this and have agreed to provide a letter of comfort to NIAB. The Trustees have provided that comfort letter having considered the financial position of the TRUST and are satisfied that the TRUST can provide that support as and when it is required without having a significant impact on its own ability to continue as a going concern.

After making enquiries and considering the uncertainties described above, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence and accordingly they adopt the going concern basis in preparing the annual report and accounts.

2.2 Change of accounting policy

During the year the trustees reviewed the policy of carrying fixed asset properties at fair valuation using market values. A number of the properties are specialised in nature because they are designed for specific functional activities. The fair valuation being market valuation is therefore not a fair reflection of the assets enabling it and NIAB to carry out their activities. The trustees have therefore decided to revert back to cost as that provides a more meaningful reflection of the properties value to the Trust.

2.3 Fund accounting

General unrestricted funds

General unrestricted funds represent income which is expendable at the discretion of the Trust 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

Designated funds are unrestricted funds of the charity which the trustees have decided, at their discretion, to set aside to use for a specific purpose.

Restricted funds

Restricted funds represent grant funded assets which are allocated by the donor for specific purposes and in which the donor maintains a residual interest.

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

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

2. Accounting policies (continued)

2.4 Income

Income has been analysed in accordance with the service provided.

Income from charitable activities:

Incoming resources are recognised, when the charity has entitlement to the funds.

Grant income, whether 'capital' or 'revenue', is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. They are recognised as restricted funds in the statement of financial activities where relevant under the particular terms of the grant.

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.5 Accrued and deferred income

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

2.6 Resources expended

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 objectives of the charity including allocated overheads

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administrative and governance costs which support the objectives of the charity. These costs have been allocated across fundraising and charitable activities. The bases on which support costs have been allocated are set out in note 11.

Governance costs

Expenditure incurred in running and administering the charity which is not directly attributable to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

The charity's policy is to carry all land and buildings at value in use. Depreciation is not provided on freehold land. Assets in the course of construction are carried at cost and not depreciated. On other assets depreciation is provided on cost or revalued amounts in equal annual installments over the estimated lives of the assets.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Freehold property	- between 20 and 60 years
Plant and machinery	- 5 to 15 years
Fixtures and fittings	- 4 to 10 years

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

2.9 Investments

Land held for re-sale and properties held to earn rental or for capital appreciation rather than for use in the supply of service are held at fair value. Net movements are transferred to the statement of financial activities and to the appropriate fund holding the investment. No depreciation is provided in respect of land held for re-sale or investment properties.

2.10 Financial instruments

The Charity only has 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.

2.11 Cash at bank and in hand

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. The cash balance includes funds of £936k relating to the DEFRA redundancy fund.

2.12 Debtors

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

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

2. Accounting policies (continued)

2.13 Provisions

Provisions are recognised when the Charity has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.14 Liabilities

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.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.15 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

The Charity's functional and presentational currency is GBP

3. Critical accounting estimates and areas of judgement

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

- The Trust has made a significant judgement in revaluing the land held for re-sale at Darwin Green, for which forecasted cash flow receipts, from disposal strategy reports prepared by Bidwells, have been used as a basis for the revaluation.
- A purchase contract has been signed for a significant amount of the land holdings. This will complete in multiple stages. The Trust believes that the buyer is more likely than not to contract to purchase the remaining portion of land and therefore includes the land held for re-sale at a discounted valuation (note 11).
- Investment Properties (note 16) are also shown at fair value.

National Institute of Agricultural Botany Trust

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

4. Prior year adjustments

Following a review of fixed assets, the trustees consider that the freehold property should be carried at value in use less depreciation. Previously freehold property within fixed assets had been held at fair value equal to market value.

Restatement of the balance sheet

The impact of the change of accounting policy on the Balance Sheet at 31 March 2019 is:

	Original £'000	Restated £'000
Fixed Assets		
Tangible assets	26,722	32,965
Investment property	27,693	27,693
Total Fixed Assets	<u>54,415</u>	<u>60,658</u>
Current Assets	10,886	10,885
Total liabilities and provisions	(14,711)	(15,710)
Total net assets	<u><u>50,590</u></u>	<u><u>55,833</u></u>
Charity funds		
Restricted funds	4,496	4,496
Unrestricted funds	46,094	51,337
Total charity funds	<u><u>50,590</u></u>	<u><u>55,833</u></u>

Reconciliation of unrestricted and total funds

	Unrestricted funds £'000	Total funds £'000
Balance as stated at 31 March 2019	46,094	50,590
Reversal of revaluation	(345)	(345)
Increase in the cost of property	8,011	8,011
Increase in depreciation carried forward	(1,424)	(1,424)
Increase in Creditors: amounts falling due after more than one year	(724)	(724)
Reduction of income	(275)	(275)
Restated balance at 31 March 2019	<u><u>51,337</u></u>	<u><u>55,833</u></u>

Notes to the Financial Statements
For the Year Ended 31 March 2020

4. Prior year adjustments (continued)

Restatement of the SOFA

The impact of the change of accounting policy on the Statement of Financial Activities for the year ended 31 March 2019 is:

	Unrestricted funds		Restricted funds	
	Original	Restated	Original	Restated
	£'000	£'000	£'000	£'000
Income from:				
Donations and legacies	-	-	1,046	771
Charitable activities	500	500	-	-
Investments	305	305	-	-
Other income	2,007	8,591	-	-
Total income	2,812	9,397	1,046	771
Expenditure on				
Charitable activities	4,223	4,240	467	467
Total expenditure	4,223	4,240	467	467
Net gains on investments	2,613	2,613	-	-
Net income	1,202	7,770	579	304
Transfers between funds	1,046	771	(1,046)	(771)
Total transfers	1,046	771	(1,046)	(771)
Net movement in funds before other recognised gains	2,248	8,540	(467)	(467)
Net movement in funds	2,593	8,540	(467)	(467)
Total funds brought forward	43,501	42,797	4,963	4,963
Total funds carried forward	46,094	51,337	4,496	4,496

National Institute of Agricultural Botany Trust

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

5. Income from donations and legacies

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
Donations	2,000	-	2,000

	<i>Restricted funds 2019 £000</i>	<i>As restated Total funds 2019 £000</i>
Donations	771	771

6. Income from charitable activities

	Unrestricted funds 2020 £000	Total funds 2020 £000
Provision of facilities to enable charitable activities to be performed	518	518

	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Provision of facilities to enable charitable activities to be performed	500	500

National Institute of Agricultural Botany Trust

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

7. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000
Rental income - residential investment properties	250	250
Interest receivable from NIAB EMR	41	41
	<u>291</u>	<u>291</u>

	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Rental income - residential investment properties	265	265
Interest receivable from NIAB EMR	40	40
	<u>305</u>	<u>305</u>

8. Other incoming resources

	Unrestricted funds 2020 £000	Total funds 2020 £000
Profit on disposal of land and buildings	<u>67</u>	<u>67</u>

	<i>As restated Unrestricted funds 2019 £000</i>	<i>As restated Total funds 2019 £000</i>
Profit on disposal of land and buildings	<u>8,591</u>	<u>8,591</u>

National Institute of Agricultural Botany Trust

Notes to the Financial Statements
For the Year Ended 31 March 2020

9. Analysis of grants

	Grants to Institutions 2020 £000	Total funds 2020 £000
Grant to NIAB for research funding	1,000	1,000

	<i>Grants to Institutions 2019 £000</i>	<i>Total funds 2019 £000</i>
Grant to NIAB for research funding	1,000	1,000

National Institute of Agricultural Botany Trust

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
Legal and professional	921	-	921
Provision of facilities	2,431	-	2,431
Research funding - grant to NIAB	1,073	-	1,073
Restricted funds	15	-	15
Other expenditure	1,037	26	1,063
	<hr/> 5,477 <hr/>	<hr/> 26 <hr/>	<hr/> 5,503 <hr/>

Included in other expenditure is a constructive obligation totaling £1m to pay £200Kpa for five years from 2021 (see note 19).

	<i>As restated Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>As restated Total funds 2019 £000</i>
Legal and professional	563	-	563
Provision of facilities	2,131	-	2,131
Research funding - grant to NIAB	1,046	-	1,046
Restricted funds	35	-	35
Other expenditure	465	467	932
	<hr/> 4,240 <hr/>	<hr/> 467 <hr/>	<hr/> 4,707 <hr/>

National Institute of Agricultural Botany Trust

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

11. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Grant funding of activities 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Legal and professional	733	-	188	921
Provision of facilities	2,363	-	68	2,431
Research funding	-	1,000	73	1,073
Restricted funds	-	-	15	15
Other expenditure	1,063	-	-	1,063
	<u>4,159</u>	<u>1,000</u>	<u>344</u>	<u>5,503</u>

	<i>As restated</i> Activities undertaken directly 2019 £000	<i>As restated</i> Grant funding of activities 2019 £000	<i>As restated</i> Support costs 2019 £000	<i>As restated</i> Total funds 2019 £000
Raising funds	433	-	130	563
Provision of facilities	1,762	-	369	2,131
Research funding	-	1,000	46	1,046
Restricted funds	-	-	35	35
Other expenditure	932	-	-	932
	<u>3,127</u>	<u>1,000</u>	<u>580</u>	<u>4,707</u>

National Institute of Agricultural Botany Trust

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Raising funds	Provision of facilities	Research funding	Other expenditure	Total funds
	2020	2020	2020	2020	2020
	£000	£000	£000	£000	£000
Legal and professional	86	20	31	-	137
Management	13	48	9	15	85
Governance costs	89	-	33	-	122
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	188	68	73	15	344
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<i>Raising funds</i>	<i>Provision of facilities</i>	<i>Research funding</i>	<i>Other expenditure</i>	<i>Total funds</i>
	<i>2019</i>	<i>2019</i>	<i>2019</i>	<i>2019</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Legal and professional	88	23	18	-	129
Provision of facilities	13	48	9	15	85
Governance costs	29	298	19	20	366
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2019</i>	130	369	46	35	580
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

National Institute of Agricultural Botany Trust

Notes to the Financial Statements
For the Year Ended 31 March 2020

12. Auditors' remuneration

	2020	2019
	£000	£000
Fees payable to the Charity's auditor and its associates for the audit of the Charity's annual accounts	9	9
Fees payable to the Charity's auditor and its associates in respect of: Additional fees in respect of previous year audit	8	-
	<u> </u>	<u> </u>

13. Taxation

The Trust is a registered charity and is thus exempt from tax on income and capital gains falling within section 505 of the Income and Corporation Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

No deferred tax liabilities have been recognised for assets held at fair value.

14. Trustees' remuneration and expenses

There were seven (2019 - nine) serving Trustees during the year. During the year eight Trustees were paid honorariums or *per diem* fees totaling £14,867 (2019 - eight trustees £15,764).

During the year ended 31 March 2020, expenses totaling £2,452 were reimbursed or paid directly to three Trustees (2019 - £2,605 to four Trustees). This principally reflects reimbursed travelling expenses incurred in attending meetings.

National Institute of Agricultural Botany Trust

Notes to the Financial Statements
For the Year Ended 31 March 2020

15. Tangible fixed assets

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Assets in the course of construction £000	Total £000
Cost or valuation					
At 1 April 2019 (as previously stated)	13,710	313	380	13,499	27,902
Prior Year Adjustment	6,942	-	-	724	7,666
At 1 April 2019 (as restated)	20,652	313	380	14,223	35,568
Additions	19,961	7	-	99	20,067
Disposals	(278)	-	-	-	(278)
Transfers between classes	14,115	108	-	(14,223)	-
At 31 March 2020	54,450	428	380	99	55,357
Depreciation					
At 1 April 2019 (as previously stated)	520	298	362	-	1,180
Prior Year Adjustment	1,423	-	-	-	1,423
At 1 April 2019 (as restated)	1,943	298	362	-	2,603
Charge for the year	628	15	18	-	661
On disposals	(58)	-	-	-	(58)
At 31 March 2020	2,513	313	380	-	3,206
Net book value					
At 31 March 2020	51,937	115	-	99	52,151
At 31 March 2019 (as restated)	18,709	15	18	14,223	32,965

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

15. Tangible fixed assets (continued)

During 2019 the Trust disposed of the offices occupied by NIAB subject to a lease back until March 2020.

During the year Barn 1 at Park Farm and the Bingham site development (new HQ) were completed and occupied and the cost transferred to Freehold property. Building of Barn 4 at Park Farm was commenced and all costs are carried forward.

The Trust is continuing to develop the Park Farm and Bingham sites. Building costs are held as "Assets in the course of construction" until completed when they are transferred to the relevant asset class.

As stated in the accounting policy (note 1), the Trust carries land and freehold buildings at value in use (previously valuation at their fair value, provided by Carter Jonas Commercial Property Consultants at 31 March 2018).

When the new scheme was initiated in 1996, the interests of DEFRA were expressed within a legal charge over certain properties and parcels of land. This interest amounts to £1,455k of the cost of the land and buildings.

The charity's bankers and the University of Cambridge have a legal charge secured on certain of the freehold land and buildings.

National Institute of Agricultural Botany Trust

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

16. Investment property

	Freehold investment property £000	Land held for resale £000	Total £000
Valuation			
At 1 April 2019	7,170	20,523	27,693
Disposals	-	(3,998)	(3,998)
Gain on revaluation	-	1,052	1,052
At 31 March 2020	<u>7,170</u>	<u>17,577</u>	<u>24,747</u>

The Trustees have reviewed the market value of the Trust's freehold investments at 31 March 2020.

They have valued the investment properties at £7,170k (2019: £7,170k) based upon a valuation carried out by Messrs Carter Jonas, Commercial Property Consultants on 31 March 2018. DEFRA has an interest of £2,934k in the investment properties which is detailed in note 29.

The Trustees have valued the land held for re-sale at £17,694k (2019: £20,523k) based upon a valuation carried out by Savills on 31 March 2018. The valuation is based on projected future cash flows, which have been discounted to the net present value at a rate of 5%, and 10% for part of the site to be sold under separate agreement. The rate of 5% is representative of the Trust's current rate of debt (2.85%) uplifted for the uncertain timing of projected future cash flows, due to the proposed put and call options on the land. The rate of 10% reflects an additional risk factor associated with the separate sale.

17. Debtors

	2020 £000	2019 £000
Trade debtors	188	591
Loan to NIAB EMR	1,541	1,500
Other debtors	1,191	407
Prepayments and accrued income	12	16
Amount due on disposal of office property	-	6,855
	<u>2,932</u>	<u>9,369</u>

The loan to NIAB EMR (a subsidiary company of NIAB see note 30) is repayable in full by 8 February 2026.

National Institute of Agricultural Botany Trust

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

18. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£000	<i>£000</i>
Bank loans	1,000	<i>6,850</i>
Other loan	5,000	<i>-</i>
Trade creditors	906	<i>1,277</i>
Amount owed to NIAB	284	<i>1,194</i>
Other creditors	4,857	<i>2,645</i>
Accruals and deferred income	287	<i>1,809</i>
	12,334	<i>13,775</i>

Bank loans - Barclays Bank Plc has made available a revolving loan facility of up to £9,700k at an interest rate of 1.5% above LIBOR (from January 2021 1.5% above SONIA). The loan, which is repayable by October 2022, is secured by a charge over certain land and buildings. The amount of the loan drawn down at the year end was £1,000k (2019: £6,850k).

Other loan - the University of Cambridge have made available, at arms length, a revolving loan of up to £5,000k at an interest rate of 1.75% above the base rate of Barclays Bank PLC. The loan, which is repayable by September 2021, is secured over the land and buildings of the new HQ site.

Other creditors include monies due to DEFRA £4,692k (2019: £2,588k) (see note 29).

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

		<i>As restated</i>
	2020	<i>2019</i>
	£000	<i>£000</i>
Accruals and deferred income	13,528	<i>999</i>

Accruals include a constructive obligation of £1million to pay £200kpa for five years from 2021 (see note 10).

Deferred income of £12,413k arises from amounts received from the University of Cambridge towards capital expenditure.

National Institute of Agricultural Botany Trust

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

20. Deferred income

	2020	<i>As restated</i> 2019
	£000	£000
Deferred income at 1 April 2019	999	-
Resources deferred during the year	11,759	999
Amounts released from previous periods	(18)	-
Deferred income at 31 March 2020	12,740	999

21. Provisions

	Redundancy Fund £000
At 1 April 2019	936
Amounts reversed	(155)
	781

The provision reflects the potential costs of future redundancies of staff employed at 31 March 1996 for their service to that date and is cash backed.

22. Financial instruments

	2020	2019
	£000	£000
Financial assets		
Financial assets measured at fair value through income and expenditure	2,991	10,869

National Institute of Agricultural Botany Trust

Notes to the Financial Statements
For the Year Ended 31 March 2020

23. Statement of funds

Statement of funds - current year

	As restated Balance at 1 April 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2020 £000
Unrestricted funds						
General Funds	20,374	2,876	(5,477)	(19,212)	1,052	(387)
Fixed asset	30,963	-	-	19,212	-	50,175
	<u>51,337</u>	<u>2,876</u>	<u>(5,477)</u>	<u>-</u>	<u>1,052</u>	<u>49,788</u>
Restricted funds						
ERDF	560	-	(14)	-	-	546
DEFRA Charitable Assets reserve	1,443	-	(12)	-	-	1,431
DEFRA Investment Property reserve	2,493	-	-	-	-	2,493
	<u>4,496</u>	<u>-</u>	<u>(26)</u>	<u>-</u>	<u>-</u>	<u>4,470</u>
Total of funds	<u><u>55,833</u></u>	<u><u>2,876</u></u>	<u><u>(5,503)</u></u>	<u><u>-</u></u>	<u><u>1,052</u></u>	<u><u>54,258</u></u>

National Institute of Agricultural Botany Trust

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

23. Statement of funds (continued)

Statement of funds - prior year

	<i>Restated Balance at 1 April 2018 £000</i>	<i>As restated Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>As restated Balance at 31 March 2019 £000</i>
Unrestricted funds						
General Funds	24,169	9,397	(4,240)	(11,565)	2,613	20,374
Fixed asset	18,628	-	-	12,335	-	30,963
	<u>42,797</u>	<u>9,397</u>	<u>(4,240)</u>	<u>770</u>	<u>2,613</u>	<u>51,337</u>
Restricted funds						
ERDF	574	-	(14)	-	-	560
DEFRA Charitable Assets reserve	1,455	-	(12)	-	-	1,443
DEFRA Investment Property reserve	2,934	-	(441)	-	-	2,493
Relocation fund	-	770	-	(770)	-	-
	<u>4,963</u>	<u>770</u>	<u>(467)</u>	<u>(770)</u>	<u>-</u>	<u>4,496</u>
Total of funds	<u>47,760</u>	<u>10,167</u>	<u>(4,707)</u>	<u>-</u>	<u>2,613</u>	<u>55,833</u>

The ERDF restricted fund relates to a capital grant for the Sophi Taylor Building and associated glasshouse facilities. The funds will be written off over the relevant reporting period.

DEFRA have an interest in a proportion of the Charitable Assets, which is secured by a legal charge. The DEFRA Charitable Assets reserves £1,431k (2019: £1,443k) reflects the fair value of this interest, should the Trust dispose of their estate. The DEFRA Investment Property reserve reflects the fair value of the interest in investment properties of £2,493k (2019: £2,493k).

National Institute of Agricultural Botany Trust

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	50,175	1,976	52,151
Investment property	22,253	2,494	24,747
Current assets	4,003	-	4,003
Creditors due within one year	(12,334)	-	(12,334)
Creditors due in more than one year	(13,528)	-	(13,528)
Provisions for liabilities and charges	(781)	-	(781)
Total	49,788	4,470	54,258

Analysis of net assets between funds - prior period

	<i>As restated Unrestricted funds 2019 £000</i>	<i>As restated Restricted funds 2019 £000</i>	<i>As restated Total funds 2019 £000</i>
Tangible fixed assets	30,963	2,002	32,965
Investment property	25,199	2,494	27,693
Current assets	10,885	-	10,885
Creditors due within one year	(13,775)	-	(13,775)
Creditors due in more than one year	(999)	-	(999)
Provisions for liabilities and charges	(936)	-	(936)
Total As restated	51,337	4,496	55,833

National Institute of Agricultural Botany Trust

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

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

		<i>As restated</i>
	2020	<i>2019</i>
	£000	<i>£000</i>
Net income/expenditure for the period (as per Statement of Financial Activities)	(1,575)	<i>8,073</i>
Adjustments for:		
Depreciation charges	661	<i>517</i>
Losses on investments	(1,052)	<i>(2,613)</i>
Interest paid	117	<i>106</i>
Loss/(profit) on the sale of fixed assets	151	<i>(8,592)</i>
Decrease/(increase) in debtors	6,436	<i>(7,416)</i>
Increase in creditors	95	<i>4,231</i>
Investment income	(291)	<i>(305)</i>
Net cash provided by/(used in) operating activities	4,542	<i>(5,999)</i>

26. Analysis of cash and cash equivalents

	2020	<i>2019</i>
	£000	<i>£000</i>
Cash in hand	1,071	<i>534</i>
Short term investments	-	<i>982</i>
Total cash and cash equivalents	1,071	<i>1,516</i>

27. Analysis of changes in net debt

	At 1 April 2019	Cash flows	At 31 March 2020
	£000	£000	£000
Cash at bank and in hand	1,516	(445)	1,071
Debt due within 1 year	(6,850)	850	(6,000)
	(5,334)	405	(4,929)

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

28. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

29. Contingent liabilities

In the past certain purchases of land and buildings were partly or wholly financed by a capital grant received from DEFRA. It is a condition of such grants that, in the event of the property being sold, the net sale proceeds will be apportioned between the Trust and DEFRA based upon their respective contributions to the original purchase price, and an allocation of agreed deductible costs incurred since the original acquisition. The Trustees have disclosed the DEFRA interest of £1,443k in charitable assets and £2,934k in investment properties (totalling £4,379k) within note 23.

30. Related party transactions

The National Institute of Agricultural Botany Trust has an object to support NIAB. A facilities charge is made for the occupation of the land and buildings owned by the Trust. The Trust receives an invoice from NIAB relating to the provision of support through a 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.

Transactions during the year relate to receipt of a facilities charge, and expenditure on research contracts conducted by NIAB. No charge is made with respect to the Sophi Taylor Building.

These transactions are summarised below:

	2020	2019
Income	500	500
Annual support	(1,125)	(1,125)
Additional support towards legal and pension costs	(700)	(1,200)
Net payments made by NIAB	1,031	631
	(294)	(1,194)

NIAB also has the option to take an interest free loan from National Institute of Agricultural Botany Trust, secured by a first fixed and floating charge on its assets.

The National Institute of Agricultural Botany Trust has previously provided a loan of £1,500,000 to NIAB EMR. 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, it is repayable within 10 years (by 8 February 2026). Interest is charged at 2% above the Bank of England base rate, which is considered to be a market value.

National Institute of Agricultural Botany Trust

Notes to the Financial Statements
For the Year Ended 31 March 2020

31. Capital commitments

	2020	<i>2019</i>
	£000	<i>£000</i>
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	2,800	<i>7,610</i>

The Charity is engaged in renewing the facilities which NIAB occupies (see page 3 of the Trustees Report). A new Headquarters building was brought into use during the year together with Barn 1 at Park Farm. Building of a new barn (Barn 4) has commenced scheduled for completion in 2021.

32. Related undertaking

The Trust has an objective to support NIAB (a company limited by guarantee) and delivers its charitable aims through this associated company. Copies of the NIAB accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.