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**National Institute of Agricultural Botany Trust**

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**Trustees' Report and Financial Statements**

**For the Year Ended 31 March 2022**

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## National Institute of Agricultural Botany Trust

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## National Institute of Agricultural Botany Trust

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

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<b>Trustees</b>	J W Lewis, Chairman Dr C W Looker R Pemberton J A Elliot R A Macdonald
<b>Company registered number</b>	7823588
<b>Charity registered number</b>	1144528
<b>Registered office</b>	93 Lawrence Weaver Road Cambridge CB3 0LE
<b>Company secretary</b>	Dr J McKee
<b>Independent auditors</b>	Moore Kingston Smith LLP Statutory Auditors 9 Appold Street London EC1M 7AD
<b>Bankers</b>	Barclays Bank plc 1 Churchill Place Canary Wharf London E14 5HP
<b>Solicitors</b>	Birketts LLP 22 Station Road Cambridge CB1 2JD  Ashton KCJ Chequers House 77-81 Newmarket Road Cambridge CB5 8EU
<b>Property</b>	Bidwells Trumpington Road Cambridge CB2 2LD  St Andrews Bureau 18 Mill Road Cambridge CB1 2AD

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**National Institute of Agricultural Botany Trust**

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

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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

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

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

### STRATEGIC REPORT

#### Background

The National Institute of Agricultural Botany (NIAB) 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 (The Trust) provides 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 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.

In recent years, 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 Trust to be charitable in nature.

## Performance

Our performance against our 2021/22 objectives are highlighted in the table below:

Objectives	Performance
Manage sale of properties held for sale and ensure cash flow remains strong and with ongoing ability to support NIAB..	Sales of properties continues to complete on schedule. The final payment in relation to the sale of land to the developers of Darwin Green 1 was received in July 2022
With NIAB, agree with Trustees of the NIAB 1996 Pension Scheme the recovery plan following the triennial valuation as at 31 March 2021.	The 2021 valuation has been submitted to The Pensions Regulator for approval
Provision of facilities, research funding and covenant support to NIAB.	<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 2022/23

The Trust will address the following objectives in the forthcoming year:-

- Secure a beneficial value for the next phase of the Darwin Green Land
- Identify further land development opportunities
- Provision of facilities, research funding and covenant support to NIAB.

# FINANCIAL REVIEW

## Income

The total incoming resources for the year were £1,832k (2021: £4,108k). The income for 2022 includes a grant of £ 850k 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 £ 5,277k (2021: £3,025k) made up as follows:

	2022 £'000	2021 £'000
Research funding to NIAB	1,000	1,000
Support to NIAB in respect of the Pension Scheme	1,500	500
Donation to NIAB to fund asset acquisition	600	-
Site development costs	572	-
Administrative costs	125	125
Bank and other interest	136	179
Professional fees	57	25
Other	119	117
Depreciation	<u>1,168</u>	<u>1,079</u>
<b>Total</b>	<b><u>5,277</u></b>	<b><u>3,025</u></b>

## Capital Expenditure

The charity funded the capital purchases from unrestricted reserves. Capital additions for the year total £ 816k (2021: £3,639k). A significant portion of the year's capital purchase was funded by a contribution from the Cambridge and Peterborough Combined Authority.

## Business Review and key performance indicators

The following financial indicators have been reviewed:

	2022 £'000	2021 £'000
Charitable Expenditure	5,277	3,025
Income from Investments	291	265
Support Costs	366	357

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.

## Investment Policy

### Land

Surplus land assets, which together with other parties surplus land, are subject to a Consortium Promotion 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 in note 19. The capital sum relating to the 1996 provision at 31 March 2022 was £593k (2021: £757k).

## 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 holds 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 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 £17,405k (2021: £19,225k), which moves the NIAB group balance sheet to a deficit of £588k (2021: deficit £12,474k), and the charity only balance sheet into a deficit of £3,390k (2021: deficit £15,025k).

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 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 2022 were £6,504k (2021: £8,351k). Included in its creditors were the following:

Barclays Bank revolving loan (now repaid)	£1.5m
DEFRA share of sale of surplus assets	£7.6m

Proceeds from sale of surplus land to developers of £12.1m was received in July 2022 of which 35% is due to DEFRA in addition to the amount shown above.

The Trust's bankers, Barclays Bank PLC, have indicated a willingness to renew facilities. In addition, further funds would become available, if needed, on the sale of the residential properties.

The Trust has considered the financial position of NIAB and its subsidiaries (together "NIAB Group") and the funding required to support them in the future. The NIAB Group financial position suggests that over the medium term (to 31 March 2024) it is possible that in order to ensure they remain viable The Trust may need to provide short term lending 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, including its available reserves and ability to borrow against assets, 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. Whilst free reserves are currently negative that position will be resolved with the planned disposal of further land assets. 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 £55,699k at the balance sheet date of which £5,408k is restricted and £50,291k is unrestricted.

## Accounting Period

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



## RISK ASSESSMENT AND MANAGEMENT

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

### Principal Risks and Uncertainties

Risk Area	Risk	Management
<b>Compliance</b>	Performance of contractual obligations with third parties	Clear delegation to NIAB for management of key projects and contracts, with regular reporting back to the Trustees
<b>Strategy</b>	Failure to generate income from the asset base	Day to day management delegated to NIAB COO who reports to both The Trust and NIAB regarding project progress and expenditure. The 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.
<b>Strategy</b>	Third Party creating a liability for The Trust and NIAB through financial risk.	Land Sales are dealt with under consortium agreements  NIAB group performance regularly monitored and Chair of Trustees sits as an Observer on NIAB Board
<b>Strategy</b>	Non-performance of The Trust's contractual obligations with other 3rd party organisations	Monitoring of NIAB's performance against contracts where The Trust is a signing party.  Regular interactions with DEFRA in relation to land sales
<b>Strategy</b>	NIAB 1996 Pension Scheme	There are legally binding agreements in place between The Trust, NIAB and the Pension Scheme. The March 2021 Triannual valuation and recovery plan has been agreed between the parties and has been submitted to The Pensions Regulator for approval.
<b>Financial</b>	Failure to generate sufficient cash to support commitments	Regular review of ongoing commitments and reserves policy

## 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		

J A Elliot	1
R Macdonald CBE	

J W Lewis will retire on 16 November, 2022. J A Elliot will be appointed as Chair on that date.

### Recruitment, induction and training of Trustees

The 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 Trust provide land, facilities and financial support to NIAB who perform the charitable activities. The activities of the unincorporated entity were transferred to a new charitable company on 6<sup>th</sup> July 2012.

The 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 (£4,890k) (2021:£4,639k) is detailed in note 20.

### 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.

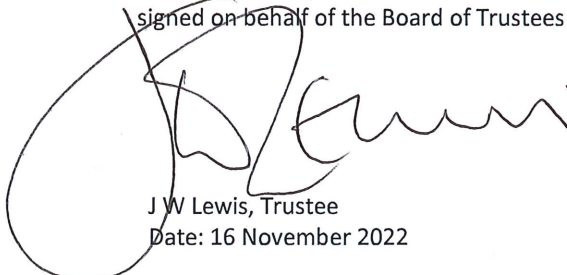
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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.

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 Trust.



J W Lewis, Trustee  
Date: 16 November 2022

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

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**Opinion**

We have audited the financial statements of National Institute of Agricultural Botany Trust ('the company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities (incorporating the Summary Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 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 Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained 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 there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

- 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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's Responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

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

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

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**National Institute of Agricultural Botany Trust**

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

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**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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Moore Kingston Smith LLP*

Andrew Stickland (Senior statutory auditor)

for and on behalf of

**Moore Kingston Smith LLP**

Statutory Auditors

9 Appold Street  
London  
EC1M 7AD

24 November 2022

National Institute of Agricultural Botany Trust

**Statement of financial activities (incorporating income and expenditure account)**  
**For the Year Ended 31 March 2022**

	Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
<b>Income from:</b>					
Charitable activities:	4				
Other charitable activities		648	850	1,498	3,837
Investments	5	291	-	291	265
Disposal of property	6	43	-	43	6
<b>Total income</b>		<b>982</b>	<b>850</b>	<b>1,832</b>	<b>4,108</b>
<b>Expenditure on:</b>					
Charitable activities	8	5,251	26	5,277	3,025
<b>Total expenditure</b>		<b>5,251</b>	<b>26</b>	<b>5,277</b>	<b>3,025</b>
<b>Net (expenditure)/income before net gains on investments</b>		<b>(4,269)</b>	<b>824</b>	<b>(3,445)</b>	<b>1,083</b>
Net gains on investments		1,257	263	1,520	2,283
<b>Net (expenditure)/income</b>		<b>(3,012)</b>	<b>1,087</b>	<b>(1,925)</b>	<b>3,366</b>
Transfers between funds	21	850	(850)	-	-
<b>Net movement in funds</b>		<b>(2,162)</b>	<b>237</b>	<b>(1,925)</b>	<b>3,366</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		52,453	5,171	57,624	54,258
<b>Total funds carried forward</b>		<b>50,291</b>	<b>5,408</b>	<b>55,699</b>	<b>57,624</b>

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

The notes on pages 18 to 40 form part of these financial statements.



National Institute of Agricultural Botany Trust

**Balance Sheet**  
**As at 31 March 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Tangible assets	13	54,353	54,705
Investment property	14	23,246	25,416
		<u>77,599</u>	<u>80,121</u>
<b>Current assets</b>			
Debtors	15	2,009	3,771
Cash at bank and in hand		1,910	2,132
		<u>3,919</u>	<u>5,903</u>
Creditors: amounts falling due within one year	16	(10,423)	(14,254)
<b>Net current liabilities</b>		<u>(6,504)</u>	<u>(8,351)</u>
<b>Total assets less current liabilities</b>		<u>71,095</u>	<u>71,770</u>
Creditors: amounts falling due after more than one year	17	(14,803)	(13,389)
Provisions for liabilities		(593)	(757)
<b>Total net assets</b>		<u><u>55,699</u></u>	<u><u>57,624</u></u>

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National Institute of Agricultural Botany Trust

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Balance Sheet (continued)  
As at 31 March 2022

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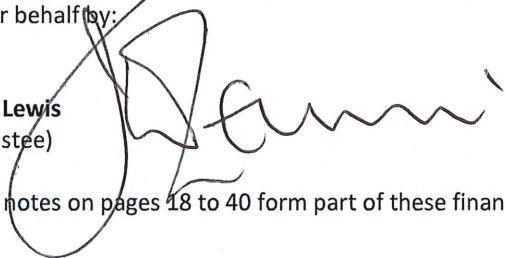
	Note	2022 £000	2021 £000
<b>Charity funds</b>			
Restricted funds	21	5,408	5,171
Unrestricted funds	21	50,291	52,453
<b>Total funds</b>		<u>55,699</u>	<u>57,624</u>

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

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 16 November 2022 and signed on their behalf by:

J W Lewis  
(Trustee)



J A Elliot  
(Trustee)



The notes on pages 18 to 40 form part of these financial statements.

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**National Institute of Agricultural Botany Trust**

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**Statement of Cash Flows  
For the Year Ended 31 March 2022**

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	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities (note 23)	<b>1,749</b>	<i>2,618</i>
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	<b>291</b>	<i>265</i>
Purchase of tangible fixed assets	<b>(816)</b>	<i>(3,639)</i>
Proceeds from sale of investments	<b>3,690</b>	<i>2,496</i>
Interest paid	<b>(136)</b>	<i>(179)</i>
<b>Net cash provided by/(used in) investing activities</b>	<b>3,029</b>	<i>(1,057)</i>
<b>Cash flows from financing activities</b>		
Cash inflows from new borrowing	<b>-</b>	<i>(500)</i>
Repayments of borrowing	<b>(5,000)</b>	<i>-</i>
<b>Net cash used in financing activities</b>	<b>(5,000)</b>	<i>(500)</i>
<b>Change in cash and cash equivalents in the year</b>	<b>(222)</b>	<i>1,061</i>
Cash and cash equivalents at the beginning of the year	<b>2,132</b>	<i>1,071</i>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,910</b>	<i>2,132</i>

The notes on pages 18 to 40 form part of these financial statements

**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**1. General information**

National Institute of Agricultural Botany Trust is a company limited by guarantee incorporated in England and Wales and a registered charity.

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

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within the accounting policies and 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

**2.2 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 holds 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 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 £17,405k (2021: £19,225k), which moves the NIAB group balance sheet to a deficit of £588k (2021: deficit £12,474k), and the charity only balance sheet into a deficit of £3,390k (2021: deficit £15,025k).

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 for the foreseeable future, being at least twelve months from the date of approval of these financial statements.

**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**2. Accounting policies (continued)**

**2.2 Going concern (continued)**

The Trust's NET current liabilities at 31 March 2022 were £6,504k (2021: £8,351k). Included in its creditors were the following:

Barclays Bank revolving loan	£1.5m
DEFRA share of sale of surplus assets	£7.6m

Proceeds from sale of surplus land to developers of £12.1m was received in July 2022 of which 35% is due to DEFRA in addition to the amount shown above.

The Trust's bankers, Barclays Bank PLC, have indicated a willingness to renew facilities. In addition, further funds would become available, if needed, on the sale of the residential properties

The Trust has considered the financial position of NIAB and its subsidiaries (together "NIAB Group") and the funding required to support them in the future. The NIAB Group financial position suggests that over the medium term (to 31 March 2024) it is possible that in order to ensure they remain viable The Trust may need to provide short term lending 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, including its available reserves and ability to borrow against assets, 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.

**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 2022**

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**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 to a future period by a funder. 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 received in advance of work done.

**2.6 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 2022**

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**2. Accounting policies (continued)**

**2.7 Resources expended**

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Trust 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 9.

*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.

**2.8 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.

**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**2. Accounting policies (continued)**

**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 £945k 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.

**2.13 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.

**2.14 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



**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**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:

**Land for re-sale**

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 (note 14).

A purchase contract has been signed for a significant amount of the land holdings and the cash receipts have been received on time and in line with the contract. A further annual receipt was received in July 2022.

The next phase is dependent on planning permission. 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 valuation based on the expected cashflows discounted by 10%. The higher rate reflects the additional risks and uncertainties with these phases of the development. The Trust will re-assess both the expected cashflow timings and discount rate used as these move through planning permission. The Trust recognises that this will likely result in an uplift of the valuation.

**Residential investment properties**

Residential investment properties, for which the Trust receives rental income, are held at Fair value as determined by an annual valuation exercise. These are included at the latest professional valuation carried out by Messrs Strutt & Parker on 22 September 2021 (£8,360k) uplifted by the general increases in local residential property prices as at 31 March 2022 (note 14).

**Cost allocation**

The cost allocation methodology requires a judgement as to what are the most appropriate bases to use to apportion support costs. These are reviewed annually for reasonableness.

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**National Institute of Agricultural Botany Trust**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**4. Income from charitable activities**

	<b>Unrestricted funds 2022 £000</b>	<b>Restricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>
Provision of facilities to enable charitable activities to be performed	648	-	<b>648</b>
Income from grants for fixed assets	-	850	<b>850</b>
<b>Total 2022</b>	<b>648</b>	<b>850</b>	<b>1,498</b>
	<i>Unrestricted funds 2021 £000</i>	<i>Restricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Provision of facilities to enable charitable activities to be performed	753	-	753
Income from grants for fixed assets	-	3,084	3,084
<i>Total 2021</i>	<i>753</i>	<i>3,084</i>	<i>3,837</i>

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**National Institute of Agricultural Botany Trust**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**5. Investment income**

	<b>Unrestricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>
Rental income - residential investment properties	257	<b>257</b>
Interest receivable from NIAB	34	<b>34</b>
<b>Total 2022</b>	<u>291</u>	<u><b>291</b></u>

	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Rental income - residential investment properties	233	233
Interest receivable from NIAB EMR	32	32
<i>Total 2021</i>	<u>265</u>	<u>265</u>

**6. Other incoming resources**

	<b>Unrestricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>
Profit on disposal of land and buildings	43	<b>43</b>

	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Profit on disposal of land and buildings	6	6

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**National Institute of Agricultural Botany Trust**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**7. Analysis of grants**

	<b>Grants to Institutions 2022 £000</b>	<b>Total funds 2022 £000</b>
Grant to NIAB for research funding	1,000	<b>1,000</b>
Grant to NIAB for pension fund	1,500	<b>1,500</b>
Grant to NIAB - facility improvement	600	<b>600</b>
<b>Total 2022</b>	<u>3,100</u>	<u><b>3,100</b></u>

	<i>Grants to Institutions 2021 £000</i>	<i>Total funds 2021 £000</i>
Grant to NIAB for research funding	1,000	1,000
Grant to NIAB for pension fund	500	500
<i>Total 2021</i>	<u>1,500</u>	<u>1,500</u>

The Charity has made the following material grants to institutions during the year:

	<b>2022 £000</b>	<i>2021 £000</i>
<b>Name of institution</b>		
NIAB - to fund research	<b>1,000</b>	1,000
NIAB - contribution to pension fund deficit through to 2024	<b>1,500</b>	500
NIAB - facility improvement	<b>600</b>	-
	<u><b>3,100</b></u>	<u>1,500</u>
	<u><b>3,100</b></u>	<u>1,500</u>

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**National Institute of Agricultural Botany Trust**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2022 £000</b>	<b>Restricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>
Provision of facilities	851	-	851
Grants to NIAB	60	-	60
Research funding - grant to NIAB	1,027	-	1,027
Other expenditure	71	-	71
Depreciation	1,142	26	1,168
Pension fund donations	1,500	-	1,500
Other donations to NIAB	600	-	600
	<u>5,251</u>	<u>26</u>	<u>5,277</u>

	<i>Unrestricted funds 2021 £000</i>	<i>Restricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Legal and Professional	303	-	303
Provision of facilities	41	-	41
Research funding - grant to NIAB	1,000	-	1,000
Restricted funds	7	-	7
Other expenditure	89	-	89
Depreciation	1,059	26	1,085
Pension fund donations	500	-	500
	<u>2,999</u>	<u>26</u>	<u>3,025</u>

Other expenditure includes an agreement of £1million to pay £200k pa for five years from 2021 to support the costs of two research fellows in Crop Sciences based in the University of Cambridge's Crop Science Centre.

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**National Institute of Agricultural Botany Trust**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**9. Analysis of expenditure by activities**

	Activities undertaken directly 2022 £000	Grant funding of activities 2022 £000	Support costs 2022 £000	Total funds 2022 £000
Provision of facilities	572	-	279	851
Provision of facilities	-	-	60	60
Research funding	-	1,000	27	1,027
Other expenditure	71	-	-	71
Depreciation	1,168	-	-	1,168
Pension fund donation	-	1,500	-	1,500
Other donations to NIAB	-	600	-	600
	<u>1,811</u>	<u>3,100</u>	<u>366</u>	<u>5,277</u>

	Activities undertaken directly 2021 £000	Grant funding of activities 2021 £000	Support costs 2021 £000	Total funds 2021 £000
Raising funds	-	-	303	303
Provision of facilities	-	-	41	41
Research funding	-	1,000	-	1,000
Restricted funds	-	-	7	7
Other expenditure	83	-	6	89
Depreciation	1,085	-	-	1,085
Pension fund donation	-	500	-	500
	<u>1,168</u>	<u>1,500</u>	<u>357</u>	<u>3,025</u>

National Institute of Agricultural Botany Trust

Notes to the Financial Statements  
For the Year Ended 31 March 2022

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Raising funds	Provision of facilities	Research funding	Other expenditure
	2022	2022	2022	2022
	£000	£000	£000	£000
Legal and professional	119	60	-	-
Management	75	-	27	-
Governance costs	85	-	-	-
	<u>279</u>	<u>60</u>	<u>27</u>	<u>-</u>

	Other expenditure	Total funds
	2022	2022
	£000	£000
Legal and professional	-	179
Provision of facilities	-	102
Governance costs	-	85
	<u>-</u>	<u>366</u>

	Raising funds	Provision of facilities	Research funding	Other expenditure
	2021	2021	2021	2021
	£000	£000	£000	£000
Legal and professional	163	41	-	-
Provision of facilities	78	-	-	7
Governance costs	62	-	-	-
<i>Total 2021</i>	<u>303</u>	<u>41</u>	<u>-</u>	<u>7</u>

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National Institute of Agricultural Botany Trust

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Notes to the Financial Statements  
For the Year Ended 31 March 2022

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9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Other expenditure 2021 £000</i>	<i>Total funds 2021 £000</i>
Legal and professional	-	204
Provision of facilities	-	85
Governance costs	6	68
<i>Total 2021</i>	<u>6</u>	<u>357</u>

10. Auditors' remuneration

	<b>2022 £000</b>	<i>2021 £000</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<b>10</b>	10
Fees payable to the Charity's auditor in respect of: Additional fees in respect of previous year audit	<b>3</b>	9

11. 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.

12. Trustees' remuneration and expenses

There were five (2021 - seven) serving Trustees during the year. During the year three Trustees were paid honorariums or *per diem* fees totaling £9,200 (2021- five trustees £11,000).

During the year, expenses totaling £1,563 were reimbursed or paid directly to 3 Trustees (2021: - £532 to one Trustee). This principally reflects reimbursed travelling expenses incurred in attending meetings.



Notes to the Financial Statements  
For the Year Ended 31 March 2022

13. Tangible fixed assets

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Assets in the course of construction £000	Total £000
<b>Cost or valuation</b>					
At 1 April 2021	57,617	421	380	578	58,996
Additions	-	-	-	816	816
Transfers between classes	1,394	-	-	(1,394)	-
At 31 March 2022	59,011	421	380	-	59,812
<b>Depreciation</b>					
At 1 April 2021	3,585	326	380	-	4,291
Charge for the year	1,157	11	-	-	1,168
At 31 March 2022	4,742	337	380	-	5,459
<b>Net book value</b>					
At 31 March 2022	54,269	84	-	-	54,353
At 31 March 2021	54,032	95	-	578	54,705

Freehold property includes NIAB's headquarters building (which includes the Crop Science Centre) and the buildings and glasshouses at Park Farm.

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 2), the Trust carries land and freehold buildings at value in use.

When the new structure was initiated in 1998 (see "Background" in the Trustees' Report), 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 carrying amount under the cost model of the assets which have been revalued would have been £NIL (2021 - £NIL).

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

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**National Institute of Agricultural Botany Trust**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**14. Investment property**

	Freehold residential investment property £000	Land held for resale £000	Total £000
<b>Valuation</b>			
At 1 April 2021	8,360	17,056	25,416
Disposals	-	(3,690)	(3,690)
Gain on revaluation	700	820	1,520
At 31 March 2022	<u>9,060</u>	<u>14,186</u>	<u>23,246</u>

The Trustees have reviewed the market value of the Trust's freehold investments at 31 March 2022.

The residential investment properties are included at £9,060k (2021: £8,360k) based upon a valuation carried out by Messrs Strutt & Parker on 22 September 2021 (£8,360k) uplifted by the general increases in local residential property prices as at 31 March 2022. DEFRA has an interest of £3,483k in the investment properties (see note 22).

The Trustees have valued the land held for re-sale at £14,186k (2021: £17,056k) 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.

**15. Debtors**

	2022 £000	2021 £000
Trade debtors	150	826
Amount due from NIAB	1,648	1,501
Other debtors	162	861
Prepayments and accrued income	11	323
Tax recoverable	38	260
	<u>2,009</u>	<u>3,771</u>

Following the merger of NIAB EMR with NIAB on 1 April 2021, the loan to NIAB EMR (a subsidiary company of NIAB see note 28) is now repayable by NIAB. The loan is scheduled to be repaid in full by 8 February 2026.

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National Institute of Agricultural Botany Trust

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Notes to the Financial Statements  
For the Year Ended 31 March 2022

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16. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Sums due to DEFRA	7,555	5,569
Bank loans	1,500	1,500
Other loan	-	5,000
Trade creditors	11	569
Other creditors	551	748
Accruals and deferred income	806	868
	<u>10,423</u>	<u>14,254</u>

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 2022 this changed to Bank of England Base Rate plus margin). The loan facility, which expires in November 2022, is secured by a charge over certain land and buildings. The amount of the loan drawn down at the year end was £1,500k (2021: £1,500k). The loan was repaid in October 2022.

Other loan - the University of Cambridge made available a loan of £5,000k at an interest rate of 1.75% above Bank of England base rate, secured by a charge over certain land and buildings. The loan was repaid in September 2021.

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

	2022 £000	2021 £000
Accruals and deferred income	<u>14,803</u>	<u>13,389</u>

Deferred income included above of £13,703k (2021: £12,589k) arises from amounts received from the University of Cambridge towards capital expenditure. Similar deferred income of £274k (2021: £217k) is also included in Creditors: Amounts falling due within one year. The total deferred income is £13,977k (2021: £12,806) (note 19).

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National Institute of Agricultural Botany Trust

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Notes to the Financial Statements  
For the Year Ended 31 March 2022

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18. Deferred income

	2022 £000	2021 £000
Deferred income at 1 April 2021	12,806	12,740
Resources deferred during the year	1,389	284
Amounts released from previous periods	(218)	(218)
<b>Deferred income at 31 March 2022</b>	<b>13,977</b>	<b>12,806</b>

Deferred income arises from amounts received from the University of Cambridge towards capital expenditure on the Cambridge Crop Science Centre and the University Glasshouse (note 18).

19. Provisions

	Redundancy Fund £000
At 1 April 2021	757
Amounts reversed	(164)
	<b>593</b>

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.

20. Financial instruments

	2022 £000	2021 £000
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<b>1,910</b>	<b>2,132</b>

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Notes to the Financial Statements  
For the Year Ended 31 March 2022

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**21. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
<b>Unrestricted funds</b>						
General Funds	2,278	982	(5,251)	850	1,257	116
Fixed asset	50,175	-	-	-	-	50,175
	<u>52,453</u>	<u>982</u>	<u>(5,251)</u>	<u>850</u>	<u>1,257</u>	<u>50,291</u>
<b>Restricted funds</b>						
ERDF	532	-	(14)	-	-	518
DEFRA Charitable Assets reserve	1,419	-	(12)	-	-	1,407
DEFRA Investment Property reserve	3,220	-	-	-	263	3,483
Capital asset grants	-	850	-	(850)	-	-
	<u>5,171</u>	<u>850</u>	<u>(26)</u>	<u>(850)</u>	<u>263</u>	<u>5,408</u>
<b>Total of funds</b>	<u><u>57,624</u></u>	<u><u>1,832</u></u>	<u><u>(5,277)</u></u>	<u><u>-</u></u>	<u><u>1,520</u></u>	<u><u>55,699</u></u>

National Institute of Agricultural Botany Trust

**Notes to the Financial Statements  
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**21. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 April 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 March 2021 £000</i>
<b>Unrestricted funds</b>						
General Funds	(387)	1,024	(2,999)	3,084	1,556	2,278
Fixed asset	50,175	-	-	-	-	50,175
	<u>49,788</u>	<u>1,024</u>	<u>(2,999)</u>	<u>3,084</u>	<u>1,556</u>	<u>52,453</u>
<b>Restricted funds</b>						
ERDF	546	-	(14)	-	-	532
DEFRA Charitable Assets reserve	1,431	-	(12)	-	-	1,419
DEFRA Investment Property reserve	2,493	-	-	-	727	3,220
Capital asset grants	-	3,084	-	(3,084)	-	-
	<u>4,470</u>	<u>3,084</u>	<u>(26)</u>	<u>(3,084)</u>	<u>727</u>	<u>5,171</u>
<b>Total of funds</b>	<u>54,258</u>	<u>4,108</u>	<u>(3,025)</u>	<u>-</u>	<u>2,283</u>	<u>57,624</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 £1,407k (2021: £1,419k) 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 £3,483k (2021: £3,220k).

National Institute of Agricultural Botany Trust

**Notes to the Financial Statements  
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**22. Summary of funds**

**Summary of funds - current year**

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
General funds	52,453	982	(5,251)	850	1,257	50,291
Restricted funds	5,171	850	(26)	(850)	263	5,408
	<u>57,624</u>	<u>1,832</u>	<u>(5,277)</u>	<u>-</u>	<u>1,520</u>	<u>55,699</u>

**Summary of funds - prior year**

	Balance at 1 April 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2021 £000
General funds	49,788	1,024	(2,999)	3,084	1,556	52,453
Restricted funds	4,470	3,084	(26)	(3,084)	727	5,171
	<u>54,258</u>	<u>4,108</u>	<u>(3,025)</u>	<u>-</u>	<u>2,283</u>	<u>57,624</u>

**23. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	52,428	1,925	54,353
Investment property	19,763	3,483	23,246
Current assets	3,919	-	3,919
Creditors due within one year	(10,423)	-	(10,423)
Creditors due in more than one year	(14,803)	-	(14,803)
Provisions for liabilities and charges	(593)	-	(593)
<b>Total</b>	<u>50,291</u>	<u>5,408</u>	<u>55,699</u>

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**National Institute of Agricultural Botany Trust**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**23. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2021 £000</i>	<i>Restricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Tangible fixed assets	52,754	1,951	54,705
Investment property	22,196	3,220	25,416
Current assets	5,903	-	5,903
Creditors due within one year	(14,254)	-	(14,254)
Creditors due in more than one year	(13,389)	-	(13,389)
Provisions for liabilities and charges	(757)	-	(757)
<b>Total</b>	<u>52,453</u>	<u>5,171</u>	<u>57,624</u>

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

	<b>2022 £000</b>	<i>2021 £000</i>
Net income/expenditure for the year (as per Statement of Financial Activities)	<b>(1,925)</b>	3,366
<b>Adjustments for:</b>		
Depreciation charges	<b>1,168</b>	1,085
Gains on investments	<b>(1,520)</b>	(2,283)
Interest paid	<b>136</b>	179
Decrease/(increase) in debtors	<b>1,762</b>	(839)
Increase in creditors	<b>2,419</b>	1,375
Investment income	<b>(291)</b>	(265)
<b>Net cash provided by operating activities</b>	<u><b>1,749</b></u>	<u>2,618</u>



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**National Institute of Agricultural Botany Trust**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**25. Analysis of cash and cash equivalents**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Cash in hand	<b>1,910</b>	<i>2,132</i>
<b>Total cash and cash equivalents</b>	<b>1,910</b>	<i>2,132</i>

**26. Analysis of changes in net debt**

	<b>At 1 April 2021</b>	<b>Cash flows</b>	<b>At 31 March 2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<b>2,132</b>	<b>(222)</b>	<b>1,910</b>
Debt due within 1 year	<b>(12,069)</b>	<b>3,014</b>	<b>(9,055)</b>
	<b>(9,937)</b>	<b>2,792</b>	<b>(7,145)</b>

**27. 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 £1,419k in charitable assets and £3,137k in investment properties (totaling £4,556k) within note 21.

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## National Institute of Agricultural Botany Trust

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### Notes to the Financial Statements For the Year Ended 31 March 2022

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#### 28. 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:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Income - facilities provision	500	500
Support grant	(1,000)	(1,000)
Provision of administration services	(125)	(125)
Pension fund support	(1,500)	(500)
Facility improvements	(600)	-
Closing debtor/(creditor)	151	1

NIAB also has an 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 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.

The loan was transferred to NIAB on 1 April 2021 when the business, assets and liabilities of NIAB EMR were merged into NIAB

#### 29. 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.