

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

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PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees	S W Bumstead 1 S J Francis, Chairman 1 A Bury C S Stowe, Vice Chairman 1 T J Yewbrey M Shulden (appointed 15 June 2021) J M Hopwood D J Sedgeley S J Portas J R S Ward 1 Professor D L Sparkes L J Cottey (resigned 15 June 2021) J A Maguire
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1 Denotes member of the Management and Finance Committee

Company registered number	00567232
Charity registered number	284077
Registered office	The Research Station Great North Road Peterborough Cambridgeshire PE8 6HJ
Company secretary	Mr R G Vickers
Chief executive officer	Mr R G Vickers

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Independent auditors Whitings LLP
Raleigh House
14C Compass Point Business Park
Stocks Bridge Way
St Ives
Cambridgeshire
PE27 5JL

Bankers Lloyds Bank Plc
65 High Street
Stamford
Lincolnshire
PE9 2AT

Clydesdale Bank Plc
10 Church Street
Peterborough
PE8 6HJ

Solicitors Greenwoods
Monkstone House
City Road
Peterborough
PE1 1JE

Investment advisor M&G Securities Limited
PO Box 6108
Basildon
SS15 5NA

Investment advisor Telford Mann Limited
Oakley House
Headway Business Park
3 Saxon Way West
Corby
NN18 9EZ

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees, who are also directors for the purpose of company law, present their annual report together with the audited financial statements of the Charity and its subsidiary for the year ended 31 December 2021.

STRATEGIC REPORT

Background

Established in 1944, Processors and Growers Research Organisation (PGRO) conducts innovative research and provides technical services on dry harvested peas, vining (freezing) peas and peas produced for canning operations and on other legumes and selected vegetables as appropriate. With over 70 years of research experience into legumes and other selected vegetable crops the Charity's work is recognised nationally and internationally as a source of reliable and independent technical advice.

Mission

PGRO's mission is to:

- Pursue the provision of current advice for growers, the realisation of improved crop yield, quality and economics
- Facilitate open, accessible, reliable and relevant knowledge exchange.
- Develop progressive and innovative approaches to crop research and development.
- Create and maintain extensive and close links with growers, processors, trade and fundamental research communities.

In fulfilling its mission, PGRO works closely with organisations which are part of the production and/or usage chain including growers, plant breeders, crop protection organisations, processing companies, pulse cleaning organisations and trading specialists. These links are important since it ensures PGRO continues to effectively support UK legume production for both home and export markets.

Vision and Strategy

PGRO aims to be at the forefront of legume crop innovation and employs staff with specialist skills and knowledge to conduct field and glasshouse trials to improve legume production and evaluate variety and agrochemical quality and performance.

PGRO's scientific activities focus on the importance of soil health, the development of higher yielding crops which are resilient to climate change and environmentally friendly pest and disease control. The benefits of new knowledge are communicated to farmers and growers and to the food industry reliant on productive agriculture.

Performance

During 2021 PGRO continued to deliver services in accordance with its research objectives and effectively delivered research projects including:

- Surveillance of virus diseases in UK pea crops - AHDB funded
- Horticulture strategic centres for field vegetables - AHDB funded
- Fostering Sustainable Legume Based Farming Systems and Agrifood and Food Chains in the EU (LEGVALUE) – part EU funded
- Transition Paths to Sustainable Legume Based Systems in Europe (TRUE) – part EU funded
- Improving productivity in pea, bean and legume growing through advanced data analytics, machine learning and AI techniques (IUK funded)
- Pea and bean weevil and bruchid beetle in faba beans (Ekhaga funded)

The Charity, insofar as funds permitted conducted in-house research:

- Screening the efficacy of products designed to stimulate natural plant processes
- Cover cropping to improve and/or protect soil health
- Inter cropping
- Plant populations to maximise yield

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

- Molecular tests for pests and diseases

The charitable objective of education is fulfilled by co-sponsoring a rolling programme of PhDs relevant and complimentary to PGRO's research and development strategy. During 2021 these comprised:

- Understanding and mitigating pea yield decline due to foot rot (University of Warwick).
- Management of stem and bulb nematode in field beans (Harper Adams University).
- Strategies to optimise pollination of the UK field bean crop (University of Cambridge).
- Understanding and increased knowledge of bean seed fly biology to develop an integrated control strategy (University of Warwick University).
- Understanding the link between N-cycling and bacterial cytoskeleton in the rhizobium-legume symbiosis (University of East Anglia)

The Charity is also involved with Knowledge Transfer Partnership with the University of Nottingham.

PGRO continued to provide advice and information to stakeholders and undertook knowledge transfer activities. The 2021 joint PGRO/Syngenta roadshows were again held online due to Covid-19, but proved as popular as ever, enabling PGRO's experts to inform growers and advisers on developments in pulse crop markets, agronomy and research.

Other knowledge transfer activities included online grower group meetings, production of articles, publications, crop bulletins and fact sheets. During 2021 a series of videos were uploaded to PGRO's website giving practical advice and information, which received very positive feedback.

Experts from PGRO regularly liaise with pulse growing farmers via AHDB's Monitor Farms (a nationwide network of farms) which brings together farmers willing to share performance and best practise information.

PGRO continued to be actively involved with the Yield Enhancement Network linking agricultural organisations and farmers with the focus on closing the gap between current and potential yields in peas.

Future Plans

PGRO will continue to be principally engaged in high quality applied agricultural research. The Trustees recognise an important aspect of the Charity's work is to contribute to the competitiveness and sustainability of UK legume crop production.

The Charity will continue to respond to appropriate grant funding calls, but the Trustees remain concerned that publicly available funding has reduced in recent years, whilst the grant application process is more competitive. The Trustees are confident the Charity will continue to identify and apply for all appropriate grants by submitting innovative ideas which emphasise the importance of efficient crop production through the most appropriate technology.

Collaborations with relevant industry and academic partners remain an important aspect of the Charity's work in order to achieve added value from joint working and sharing access to a wider base of skills and experience. The Charity will, insofar as funds permit, continue to expand its co-sponsorship of relevant PhDs complimentary to the Charity's R&D strategy.

The current strategic plan remains in force until the end of 2025, but is reviewed regularly to ensure it is fit for purpose in the light of identified emerging risks to the Charity and to ensure PGRO remains a solvent and respected and vibrant organisation.

The Charity will continue to engage in knowledge transfer events and produce publications and articles relevant to the agricultural sector and wider audiences as appropriate.

Public Benefit

Globally there are concerns around climate change, population growth and food security. Innovative crop science and technology addresses these pressures by increasing productivity and improving both environmental

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

protection and resource conservation.

PGRO's main objective is to contribute to the advancement of the science of legume (and other crops as appropriate) by undertaking scientific research projects. Additional benefits derived from the Charity meeting its main objective include the advancement of knowledge and environmental improvement.

PGRO's independent and applied research into legume crops translates directly into farm practise, contributing to improvements in product quality and yields and environmentally friendly practises such as seed treatment, plant populations and crop husbandry.

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.

FINANCIAL REVIEW

The Trustees are pleased to announce PGRO's reserves increased by £190,353 (2020: decrease £227,685).

Investment in capital equipment was undertaken as planned. The main areas were:

- Machinery and equipment £9k
- Improvements to facilities £42k

The Trustees are confident the direction and financial management of the charity remains robust, and continually review expenditure levels to ensure value for money is achieved.

Incoming resources for the charity for the year totalled £0.873m (2020: £0.742m), of which £0.1m related to restricted funds (2020: £0.1m), and for the Group £1.325m (2020: £1.199m).

Principal sources of income were derived from levy on legume crops traded ex-farm and research grants. The Trustees recognise the importance of diverse income streams for the financial health of the Charity and additional income came from:

- Contract trials
- Membership fees
- Conference facilities
- Technical services

All expenditure during the year was incurred in furtherance of the Charity's objectives. There are currently no significant future factors which the Trustees consider will affect financial performance.

By considering expected future income versus future financial obligations, the Trustees have a reasonable expectation that PGRO has adequate resources to continue in operational existence for

the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual reports and accounts.

Reserves Policy

The reserves policy considers:

- The nature of current activities and related income and expenditure streams
- The requirement to match variable income with any fixed expenditure commitments
- Any requirement to fulfil longer term liabilities
- Future plans including investment in fixed asset additions or replacements
- The overall business climate and the risks faced by the Charity

The Trustees regularly consider the risk to the Charity of any significant loss of income and also the risk of any unforeseen expenditure, thereby acknowledging the relationship between the risk management and reserves policies. The full effect of the UK exit from the European Union on UK agriculture and related research is as yet

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

unknown. Therefore, the Trustees deem it prudent to hold sufficient reserves to mitigate any potential negative impact on future income in order for the Charity to be able to achieve its objectives.

At 31st December 2021, unrestricted funds of the Charity were £2.5m. The Trustees aim to maintain free reserves in unrestricted funds at a level equating to 6 months of unrestricted charitable expenditure in so far as these funds are not committed to or invested in tangible fixed assets. The Trustees consider this level will provide sufficient funds to:

- Apply for external research grants (where match funding is a frequent requirement)
- Participate in external research where in-kind contributions are required
- Consider further sponsorship of PhDs with universities
- Further develop laboratory and molecular facilities
- Ensure the Charity's activities are maintained by undertaking industry approved research and development where external funding cannot be obtained
- Ensure seasonal variations of cash inflows due to inherent uncertainty in levy receipts are mitigated
- Replace and extend capital assets as necessary
- Fulfil long term liabilities
- Allow for medium to long term planning

At 31st December 2021 the Group had total reserves of £2.6m (£0.3m in fixed assets and £2.3m in investments and net working capital).

Investment Policy

The investment policy considers:

- The current economic climate
- Future plans
- Contingencies for the variability of levy receipts
- Availability of grant funding
- Stock market implications

The Charity currently holds several long-term investments, the income from which directly contributes to the Charity's objectives. The Charity only invests in medium-risk products with due regard to social, environmental and ethical issues. The Trustees meet at least annually with representatives of the Fund Managers to review investment risk, income generation and capital growth.

Related Parties

The Charity has a wholly owned subsidiary, PGRO Research Limited, which donates its profits to PGRO (Charity) via gift aid in perpetuity.

RISK ASSESSMENT AND MANAGEMENT

The Board of Trustees is responsible for ensuring there are effective and adequate risk management and internal controls systems in place to manage the major risks to which the Charity is exposed. The Risk Register (focusing on the key risk areas of governance, operational, financial, environmental and external/regulatory), identifies the risks PGRO faces, prioritises them in terms of likelihood of occurrence, their potential impact and how they can be mitigated.

The Board recognises the Risk Register is a live document and regularly review:

- The key risks the Charity may face, likelihood of materialisation, likely impact and the procedures required to minimise impact should they materialise
- Internal controls and procedures and their effectiveness to ensure the needs of the Charity are met and compliance with externally issued guidelines and statements of best practice.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisation

Processors and Growers Research Organisation was incorporated in England and Wales on 7th June 1956, and is a company limited by guarantee (registered number 00567232) and a registered charity (number 00284077). It is governed by its Memorandum and Articles of Association which were last amended 7th December 2017.

Members and Board of Trustees

The Board of Trustees comprises the Chair and up to fourteen additional trustee directors. The Trustees are also the members of the organisation. The Management and Finance Committee is an established sub-committee. The following Trustees have served during the period:

S W Bumstead \$
S J Francis (Chairman) \$
A Bury
C S Stowe \$ (Vice Chairman)

C G Renner (resigned 15th June 2021)
D J Sedgeley
S J Portas
J R S Ward \$
Professor D L Sparkes
T J Yewbrey
L J Cottey (resigned 15th June 2021)
J M Hopwood
J A Maguire
M Shuldham (appointed 15th June 2021)

\$ Denotes member of the Management and Finance Committee as at 31st December 2021.

Trustee Remuneration

No remuneration or benefit was paid or granted to any Trustee.

Recruitment, Induction and Training of Trustees

PGRO recruits Trustees with the relevant skillset to support the Charity's activities. A regularly reviewed induction programme is in place for newly appointed Trustees. All Trustees are encouraged to be familiar with the practical work of the Charity and maintain an understanding of its activities by attending the Charity's premises, events and meetings and engaging with staff.

Liability Insurance

The Charity holds Directors and Officers Insurance which will indemnify the Directors against claims from third parties. It does not provide cover in the event a Trustee is proven to have acted either fraudulently or dishonestly.

Governance

The Board of Trustees is responsible for the management of PGRO's affairs in accordance with its Memorandum and Articles of Association and meets regularly throughout the year to oversee the Charity's strategic direction and financial probity.

The Trustees have used the UK Charity Governance Code to measure the performance of the Board and its structure. The Code considers a maximum of twelve trustees to be good practice, and whilst PGRO currently has thirteen board members (the Memorandum and Articles of Association allow a maximum of fifteen), the

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FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees consider a greater number allows for representation from all the stakeholder groups the Charity engages with. The Trustees are also aware three of the Board members have served for more than the nine years prescribed by the Code. Their reappointment is approved providing they are still professionally active, have indicated their willingness to continue and any negative affect the loss of industry experience would have on the Board if a suitable replacement could not be sourced.

Additionally, the Management and Finance sub-committee (comprising the Chair, Vice-Chair, Chief Executive, Finance Manager and at least two other Board members) meets to:

- Consider strategic issues and make recommendations for full Board approval,
- Review and set remuneration of Charity staff for full Board approval,
- Receive, examine and discuss financial reports,
- Assess business progress against objectives and consider critical business risks,
- Consider health and safety issues,
- Consider capital investment and any other major expenditure for full Board approval,
- Consider all governance issues.

The Chief Executive (appointed by the Trustees) manages the day-to-day operation of the charitable company. To ensure effective operations the Chief Executive and Senior Management Team have delegated authority for all operational matters.

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

The Trustees (who are also directors of Processors & Growers Research Organisation 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 company 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 they are satisfied that they give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

The Trustees confirm that:

- So far as each Trustee is aware, there is no relevant audit information of which the auditors are unaware;
- They 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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Whitings LLP has indicated its willingness to continue in office, and as such is deemed to be re-appointed under section 487 (2) of 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 Processors and Growers Research Organisation

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Trustee

Date: 14th June 2022

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROCESSORS AND GROWERS
RESEARCH ORGANISATION**

Opinion

We have audited the financial statements of Processors and Growers Research Organisation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROCESSORS AND GROWERS
RESEARCH ORGANISATION (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROCESSORS AND GROWERS
RESEARCH ORGANISATION (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 Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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:

- Enquiry of management around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations; and
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, and reviewing accounting estimates for bias

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROCESSORS AND GROWERS
RESEARCH ORGANISATION (CONTINUED)**

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, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Mark Haydon BA CA (senior statutory auditor)

for and on behalf of
Whitings LLP

Raleigh House

14C Compass Point Business Park

Stocks Bridge Way

St Ives

Cambridgeshire

PE27 5JL

Date: 23-9-2022

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Charitable activities	4	715,297	110,951	826,248	687,262
Other trading activities	6	452,126	-	452,126	457,356
Investments	7	45,472	-	45,472	51,636
Other income	8	1,094	-	1,094	3,118
Total income		1,213,989	110,951	1,324,940	1,199,372
Expenditure on:					
Raising funds	9	367,222	-	367,222	320,960
Charitable activities	10	706,217	111,061	817,278	948,825
Total expenditure		1,073,439	111,061	1,184,500	1,269,785
Net income/(expenditure) before net gains/(losses) on investments		140,550	(110)	140,440	(70,413)
Net gains/(losses) on investments		134,814	-	134,814	(157,272)
Net income/(expenditure)		275,364	(110)	275,254	(227,685)
Transfers between funds	20	(110)	110	-	-
Net movement in funds		275,254	-	275,254	(227,685)
Reconciliation of funds:					
Total funds brought forward		2,313,915	-	2,313,915	2,541,600
Net movement in funds		275,254	-	275,254	(227,685)
Total funds carried forward		2,589,169	-	2,589,169	2,313,915

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 20 to 43 form part of these financial statements.

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REGISTERED NUMBER: 00567232

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	346,251	355,662
Investments	16	1,380,566	1,099,104
		<u>1,726,817</u>	<u>1,454,766</u>
Current assets			
Debtors	17	569,684	433,002
Cash at bank and in hand		550,031	697,200
		<u>1,119,715</u>	<u>1,130,202</u>
Creditors: amounts falling due within one year	18	(257,363)	(271,053)
Net current assets		<u>862,352</u>	<u>859,149</u>
Total assets less current liabilities		<u>2,589,169</u>	<u>2,313,915</u>
Net assets excluding pension asset		<u>2,589,169</u>	<u>2,313,915</u>
Total net assets		<u>2,589,169</u>	<u>2,313,915</u>
Charity funds			
Restricted funds	20	-	-
Unrestricted funds	20	2,589,169	2,313,915
Total funds		<u>2,589,169</u>	<u>2,313,915</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 and signed on their behalf by:



.....
Trustee

Date: 14th June 2022

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)
REGISTERED NUMBER: 00567232

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The notes on pages 20 to 43 form part of these financial statements.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)
REGISTERED NUMBER: 00567232

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

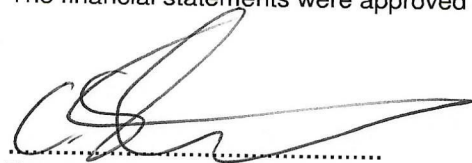
	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	346,251	355,662
Investments	16	1,380,566	1,099,104
		<u>1,726,817</u>	<u>1,454,766</u>
Current assets			
Debtors	17	623,885	774,424
Cash at bank and in hand		488,649	376,115
		<u>1,112,534</u>	<u>1,150,539</u>
Creditors: amounts falling due within one year	18	(335,085)	(291,390)
Net current assets		<u>777,449</u>	<u>859,149</u>
Total assets less current liabilities		<u>2,504,266</u>	<u>2,313,915</u>
Net assets excluding pension asset		<u>2,504,266</u>	<u>2,313,915</u>
Total net assets		<u><u>2,504,266</u></u>	<u><u>2,313,915</u></u>
Charity funds			
Restricted funds	20	-	-
Unrestricted funds	20	2,504,266	2,313,915
Total funds		<u><u>2,504,266</u></u>	<u><u>2,313,915</u></u>

The Company's net movement in funds for the year was £190,351 (2020 - £(364,080)).

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 and signed on their behalf by:



Trustee

Date: 14th June 2022.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)
REGISTERED NUMBER: 00567232

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The notes on pages 20 to 43 form part of these financial statements.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	4,611	(79,962)
Cash flows from investing activities		
Dividends, interests and rents from investments	45,475	51,636
Purchase of tangible fixed assets	(50,610)	(38,920)
Purchase of investments	(150,000)	-
Investment managers fees settled	3,356	-
Net cash (used in)/provided by investing activities	(151,779)	12,716
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(147,168)	(67,246)
Cash and cash equivalents at the beginning of the year	697,202	764,448
Cash and cash equivalents at the end of the year	550,034	697,202

The notes on pages 20 to 43 form part of these financial statements

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Charity is a company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 284077) and Registrar of Companies (Company Registration Number 00567232) in England and Wales.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activity is the provision of scientific research in relation to legume crops.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £2 per Member of the Charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Processors and Growers Research Organisation meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. In response to the COVID-19 pandemic, the Trustees have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the Trustees Report and accounts.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Income is recognised exclusive of Value Added Tax and trade discounts.

Membership fees are recognised when the Charity has entitlement to the income.

Rent and meeting income is recognised when receivable.

Levy income is recognised when receivable, with the level of charges reviewed annually by reference to work done.

Research and technical income, technical services and publications income is recognised by reference to work done.

Revenue grants are credited as income when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

With regard to EU True Project and EU Leg Value grant income, such income is recognised in line with related expenditure as per the terms of the grants.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of donation.

Investment income is recognised when received and comprises interest on fixed interest securities and bank deposits and dividend income receivable.

Other income is recognised in the period in which it is receivable and to the extent that the goods or services have been provided.

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.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objectives of the Charity. Support costs have been allocated to each activity on the following basis, based on an estimate of staff time spent on each activity:

Research and development 72.06% (2020: 70.27%)

Knowledge transfer 27.94% (2020: 29.73%)

Governance costs are costs incurred in connection with the administration of the Charity and compliance with constitutional and statutory requirements.

Research and development expenditure is recognised as an expense in the period in which it is incurred.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	Over the life of the lease
Plant and machinery	-	15% on cost
Motor vehicles	-	20% on cost
Office equipment	-	15% on cost
Computer equipment	-	30% on cost
Site development	-	10% on cost

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment.

Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company 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.

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 in the consolidated statement of financial activities as a finance cost.

2.12 Financial instruments

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

2.13 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2.14 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Expected life of tangible fixed assets
- Support cost allocation

The Trustees consider that the expected useful lives of tangible fixed assets and support cost allocations are appropriate.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Analysis of income from charitable activities - by type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Membership & levy fees	700,102	-	700,102	539,501
Grants receivable	-	110,951	110,951	133,893
Technical services & publications	14,485	-	14,485	10,105
Research & technical income	710	-	710	3,764
	<u>715,297</u>	<u>110,951</u>	<u>826,248</u>	<u>687,263</u>
<i>Total 2020</i>	<u>553,369</u>	<u>133,894</u>	<u>687,263</u>	

5. Analysis of income from charitable activities - by activity

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Research and development	515,412	79,947	595,359	508,865
Knowledge transfer	199,885	31,004	230,889	178,398
Total 2021	<u>715,297</u>	<u>110,951</u>	<u>826,248</u>	<u>687,263</u>
<i>Total 2020</i>	<u>553,369</u>	<u>133,894</u>	<u>687,263</u>	

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Trading subsidiary	<u>452,126</u>	<u>452,126</u>

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from local listed investments	45,436	45,436	51,442
Investment income - local cash	36	36	194
	<u>45,472</u>	<u>45,472</u>	<u>51,636</u>
<i>Total 2020</i>	<u>51,636</u>	<u>51,636</u>	

8. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other income	1,094	1,094	3,118
	<u>3,118</u>	<u>3,118</u>	
<i>Total 2020</i>	<u>3,118</u>	<u>3,118</u>	

9. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £
Charity trading expenses	367,222	367,222

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Research and development	477,492	75,239	552,731	702,277
Knowledge transfer	228,725	35,822	264,547	246,549
	<u>706,217</u>	<u>111,061</u>	<u>817,278</u>	<u>948,826</u>
<i>Total 2020</i>	<u>683,700</u>	<u>265,126</u>	<u>948,826</u>	

11. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Research and development	388,390	164,341	552,731	702,276
Knowledge transfer	200,813	63,734	264,547	246,549
	<u>589,203</u>	<u>228,075</u>	<u>817,278</u>	<u>948,825</u>
<i>Total 2020</i>	<u>720,470</u>	<u>228,355</u>	<u>948,825</u>	

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Research and development 2021 £	Knowledge transfer 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	103,704	40,218	143,922	142,130
Depreciation	2,881	1,117	3,998	8,409
Travel & subsistence costs	431	167	598	345
Other staff costs	1,071	415	1,486	5,229
Repairs & maintenance	2,860	1,109	3,969	4,286
Stationery, advertising, postage & equipment hire	10,514	4,077	14,591	14,729
Office running costs	36,809	14,277	51,086	44,882
Governance costs	6,071	2,354	8,425	6,660
Professional fees	-	-	-	1,685
	<u>164,341</u>	<u>63,734</u>	<u>228,075</u>	<u>228,355</u>
<i>Total 2020</i>	<u>169,021</u>	<u>59,334</u>	<u>228,355</u>	

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Analysis of direct costs

	Research and development 2021 £	Knowledge transfer 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	238,181	103,196	341,377	327,662
Depreciation	40,366	15,655	56,021	69,283
Project costs	75,239	35,822	111,061	265,125
Other staff costs	7,112	2,870	9,982	3,096
Office running costs	936	936	1,872	1,834
Stationery, advertising, postage & equipment hire	2,699	12,489	15,188	13,473
Travel & subsistence	19,666	28,218	47,884	39,994
Professional fees	4,190	1,625	5,815	-
	<u>388,389</u>	<u>200,811</u>	<u>589,200</u>	<u>720,467</u>
<i>Total 2020</i>	<u><u>541,811</u></u>	<u><u>178,656</u></u>	<u><u>720,467</u></u>	

12. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	6,975	6,000
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	<u><u>-</u></u>	<u><u>660</u></u>

13. Staff costs

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	391,891	394,793	391,891	394,793
Social security costs	55,973	45,568	55,973	45,568
Contribution to defined contribution pension schemes	37,435	29,432	37,435	29,432
	<u><u>485,299</u></u>	<u><u>469,793</u></u>	<u><u>485,299</u></u>	<u><u>469,793</u></u>

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Staff costs (continued)

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

	Group 2021 No.	<i>Group 2020 No.</i>	Company 2021 No.	<i>Company 2020 No.</i>
Management and administration	3	3	3	3
Direct charitable	13	16	13	16
	16	19	16	19

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

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £80,001 - £90,000	1	1

The Key Management Personnel of the Group are the Trustees and the Senior Managers, being the CEO, the Finance Manager and the Principal Technical Officers. The Trustees are not remunerated.

The total of employer benefits, including employers social security contributions, received by Key Management Personnel of the Group was £246,657 (2020: £348,625).

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Tangible fixed assets

Group

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Office and computer equipment £	Site development £	Total £
Cost or valuation						
At 1 January 2021	284,472	400,341	32,490	133,343	260,668	1,111,314
Additions	-	8,924	-	-	41,686	50,610
At 31 December 2021	284,472	409,265	32,490	133,343	302,354	1,161,924
Depreciation						
At 1 January 2021	115,654	291,473	30,834	130,503	187,189	755,653
Charge for the year	2,766	37,224	1,656	1,232	17,141	60,019
At 31 December 2021	118,420	328,697	32,490	131,735	204,330	815,672
Net book value						
At 31 December 2021	166,052	80,568	-	1,608	98,024	346,252

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Tangible fixed assets (continued)

Company	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Other fixed assets £	Total £
Cost or valuation						
At 1 January 2021	284,472	400,341	32,490	133,343	260,668	1,111,314
Additions	-	8,924	-	-	41,686	50,610
At 31 December 2021	284,472	409,265	32,490	133,343	302,354	1,161,924
Depreciation						
At 1 January 2021	115,654	291,473	30,834	130,503	187,189	755,653
Charge for the year	2,766	37,224	1,656	1,232	17,141	60,019
At 31 December 2021	118,420	328,697	32,490	131,735	204,330	815,672
Net book value						
At 31 December 2021	166,052	80,568	-	1,608	98,024	346,252

The tangible fixed assets are held for the direct furtherance of the Charity's objectives.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 January 2021	1,099,105
Additions	150,000
Disposals	(3,353)
Revaluations	134,814
	<hr/>
At 31 December 2021	1,380,566 <hr/>
 Net book value	
At 31 December 2021	1,380,566
	<hr/>
<i>At 31 December 2020</i>	<i>1,099,105</i> <hr/>

Investments at fair value comprise funds indirectly held by fund managers M&G Investments and Telford Mann Investments. All investments in listed securities are held in UK common investment funds and are included within unrestricted funds. Investments are revalued to recognise their fair value at each balance sheet date.

Company	Listed investments £
Cost or valuation	
At 1 January 2021	1,099,105
Additions	150,000
Disposals	(3,353)
Revaluations	134,814
	<hr/>
At 31 December 2021	1,380,566 <hr/>
 Net book value	
At 31 December 2021	1,380,566
	<hr/>
<i>At 31 December 2020</i>	<i>1,099,105</i> <hr/>

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due within one year				
Trade debtors	343,018	271,815	292,600	395,687
Amounts owed by group undertakings	-	-	191,455	267,435
Other debtors	224,941	159,668	139,830	111,302
Prepayments and accrued income	1,725	1,519	-	-
	<u>569,684</u>	<u>433,002</u>	<u>623,885</u>	<u>774,424</u>

18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	45,995	34,785	45,995	33,044
Amounts owed to group undertakings	-	-	64,306	9,831
Other taxation and social security	78,618	79,810	102,939	95,756
Accruals and deferred income	132,750	156,458	121,845	152,759
	<u>257,363</u>	<u>271,053</u>	<u>335,085</u>	<u>291,390</u>

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Deferred income at 1 January 2021	35,491	25,852	35,491	25,852
Resources deferred during the year	18,737	35,491	18,737	35,491
Amounts released from previous periods	(35,491)	(25,852)	(35,491)	(25,852)
	<u>18,737</u>	<u>35,491</u>	<u>18,737</u>	<u>35,491</u>

Deferred income comprises income in relation to future period associate fees (subscriptions) and project work.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. Financial instruments

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	550,032	<i>697,201</i>	488,649	<i>376,115</i>

Financial assets measured at fair value through income and expenditure comprise cash held at bank and in hand.

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20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
Designated funds						
Fixed asset fund	355,663	-	-	41,686	-	397,349
General funds						
General funds	1,840,338	761,863	(706,217)	43,108	-	1,939,092
Trading subsidiary	-	452,126	(367,222)	(84,904)	-	-
Revaluation reserve	117,914	-	-	-	134,814	252,728
	1,958,252	1,213,989	(1,073,439)	(41,796)	134,814	2,191,820
Total Unrestricted funds	2,313,915	1,213,989	(1,073,439)	(110)	134,814	2,589,169
Restricted funds						
Restricted Funds	-	110,951	(111,061)	110	-	-
Total of funds	2,313,915	1,324,940	(1,184,500)	-	134,814	2,589,169

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20. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2020 £</i>
Unrestricted funds						
Designated funds						
Fixed asset fund	394,435	-	(77,692)	38,920	-	355,663
General funds						
General funds	1,871,979	608,122	(736,232)	96,469	-	1,840,338
Trading subsidiary	-	457,356	(320,960)	(136,396)	-	-
Revaluation reserve	275,186	-	-	-	(157,272)	117,914
	<u>2,147,165</u>	<u>1,065,478</u>	<u>(1,057,192)</u>	<u>(39,927)</u>	<u>(157,272)</u>	<u>1,958,252</u>
Total Unrestricted funds	<u>2,541,600</u>	<u>-</u>	<u>(1,134,884)</u>	<u>(1,007)</u>	<u>(157,272)</u>	<u>2,313,915</u>
Restricted funds						
Restricted Funds	-	133,894	(134,901)	1,007	-	-
Total of funds	<u>2,541,600</u>	<u>133,894</u>	<u>(1,269,785)</u>	<u>-</u>	<u>(157,272)</u>	<u>2,313,915</u>

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20. Statement of funds (continued)

Purposes of designated funds

Fixed assets fund - This represents the value of general funds invested in land and buildings and other fixed assets and is therefore not readily available for other purposes.

Purposes of general funds

General funds - The 'free reserves' after all other designations and restrictions. The transfer to the fixed asset fund of £41,686 (2020: £38,920) represents the net of fixed asset additions and disposals in the year.

Trading subsidiary - Reserves in relation to the performance of the trading subsidiary PGRO Research Limited. The transfer of £84,904 (2020: £136,396) to the general fund from this fund represents the gift aid of the profits from the trading subsidiary to the Charity.

Revaluation reserve - Being the difference between the historic cost value and the year end fair value of listed securities investments are per note 14.

Purposes of restricted funds

Restricted funds - These relate solely to grant income and related expenditure to match grant funded projects as required under the terms of the grant offer letters, and is therefore not readily available for other purposes.

Colin Leakey bursary fund - Undertaking ongoing research of Phaseolus beans.

Transfers from unrestricted funds to restricted funds represent unrestricted funds utilised on restricted projects of the Charity.

21. Summary of funds

Summary of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Designated funds	355,663	-	-	41,686	-	397,349
General funds	1,958,252	1,213,989	(1,073,439)	(41,796)	134,814	2,191,820
Restricted funds	-	110,951	(111,061)	110	-	-
	<u>2,313,915</u>	<u>1,324,940</u>	<u>(1,184,500)</u>	<u>-</u>	<u>134,814</u>	<u>2,589,169</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2020 £</i>
Designated funds	394,435	-	(77,692)	38,920	-	355,663
General funds	2,147,165	1,065,478	(1,057,192)	(39,927)	(157,272)	1,958,252
Restricted funds	-	133,894	(134,901)	1,007	-	-
	<u>2,541,600</u>	<u>1,199,372</u>	<u>(1,269,785)</u>	<u>-</u>	<u>(157,272)</u>	<u>2,313,915</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	346,251	346,251
Fixed asset investments	1,380,566	1,380,566
Current assets	1,119,715	1,119,715
Creditors due within one year	(257,363)	(257,363)
Total	<u>2,589,169</u>	<u>2,589,169</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	355,662	355,662
Fixed asset investments	1,099,104	1,099,104
Current assets	1,130,204	1,130,204
Creditors due within one year	(271,055)	(271,055)
Total	<u>2,313,915</u>	<u>2,313,915</u>

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

	Group 2021 £	Group 2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	275,254	(227,685)
Adjustments for:		
Depreciation charges	60,020	77,694
Gains/(losses) on investments	(134,814)	157,272
Income from investments	(45,475)	(51,637)
Increase in debtors	(136,684)	(44,909)
Increase/(decrease) in creditors	(13,690)	9,303
Net cash provided by/(used in) operating activities	4,611	(79,962)

24. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	550,034	697,202
Total cash and cash equivalents	550,034	697,202

25. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	697,201	(147,169)	550,032
	697,201	(147,169)	550,032

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26. Capital commitments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	22,000	5,438	22,000	5,438

27. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The pension cost charge represents contributions payable by the Charity to the fund and amounted to £40,695 (2020: £44,386).

At the year end, pension contributions payable of £6,301 were included within taxation & social security (2020: £Nil).

28. Operating lease commitments

At 31 December 2021 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	26,731	34,417	26,731	34,417
Later than 1 year and not later than 5 years	14,040	29,295	14,040	29,295
	40,771	63,712	40,771	63,712

29. Related party transactions

The Charity has taken advantage of the exemption contained in FRS 102 section 33.1 Related Party Disclosures and has therefore not disclosed transactions or balances with wholly owned entities which form part of the group.

Fen Peas Limited - a company under common control of Stephen Francis

During the year, PGRO invoiced Fen Peas Limited £10,385 (2020: £5,630). The amount outstanding from Fen Peas Limited at the balance sheet date was £Nil (2020: £Nil).

Other than Key Management Personnel remuneration disclosed in Note 13, there were no further related party transactions during 2021 or 2020.

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30. Controlling party

The Trustees do not consider that there is any single controlling party.