

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022

Trustees	S W Bumstead 1
	S J Francis 1
	A Bury
	C S Stowe, Chairman 1
	T J Yewbrey
	M Shuldham
	J M Hopwood
	D J Sedgeley
	S J Portas
	J R S Ward, Vice Chairman 1
	Professor D L Sparkes
	G J Renner
	J A Maguire

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

PROCESSORS AND GROWERS RESEARCH ORGANISATION

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022.

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 2022 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
- 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)
- Pea and bean downy mildew pathosystem: deploying disease resistance, pathogenomics and microbial biocontrol - BBSRC-LINK
- Pulse Crop Genetic Improvement Network – combining peas, field beans and lupins – funded by DEFRA and led by the John Innes Centre
- PeaGen - Genetic improvement of pea to replace soyabean in the diets of poultry and monogastric livestock – peas – BBSRC Link
- Scaled-up production and validation of pea midge and pea and bean weevil pheromones for pest management (peas and beans) . Funded by UKRI and co-funded by PheroSyn Ltd

PROCESSORS AND GROWERS RESEARCH ORGANISATION

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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
- Molecular tests for pests and diseases
- Downy mildew control using foliar sprays in vining peas
- Bean seed fly (*Delia platura*) management
- Crop nutrition improvements
- Integrated crop management techniques
- Disease screening

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:

- Strategies to optimise pollination of the UK field bean crop (University of Cambridge).
- Understanding the link between N-cycling and bacterial cytoskeleton in the rhizobium-legume symbiosis (University of East Anglia)
- Understanding the diversity of organisms contributing to foot and root rot disease in faba bean in the United Kingdom (University of Newcastle upon Tyne)
- Realising the environmental benefits of faba beans (*Vicia faba* L.) via optimised nutrition and nitrogen fixation (Harper Adams University)
- Remote sensing and machine learning for the field-scale prediction of maturity and yield in vining pea (*Pisum sativum* L.) (University of Nottingham)
- The Biology and Integrated Management of Bean Seed Fly. (University of Warwick)

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 2022 joint PGRO/Syngenta roadshows were resumed in person and proved as popular as ever with recordings being made available online to reach a wider audience. The events enable 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 2022 the series of master class videos were further developed 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 and Strategic Farms (a nationwide networks of leading 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 and beans.

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.

PROCESSORS AND GROWERS RESEARCH ORGANISATION

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 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 £147,043 (2021: increase £190,353).

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

- Machinery and equipment £68k
- Improvements to facilities £20k

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 £1.1m (2021: £1m), of which £80k related to restricted funds (2021: £0.1m).

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.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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 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 2022, unrestricted funds were £2.7m. The Trustees aim to maintain free reserves in unrestricted funds at a level equating to 35 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 2022 the Group had total reserves of £2.7m (£0.4m in tangible 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.

PROCESSORS AND GROWERS RESEARCH ORGANISATION

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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 \$
A Bury
C S Stowe \$ (Chairman)
G J Renner
D J Sedgeley
S J Portas
J R S Ward \$ (Vice Chairman)
Professor D L Sparkes
T J Yewbrey
J M Hopwood
J A Maguire
M Shuldham

\$ Denotes member of the Management and Finance Committee as at 31st December 2022.

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.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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 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.

PROCESSORS AND GROWERS RESEARCH ORGANISATION

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 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 on 7 August 2023 and signed on their behalf by:

C S Stowe
Chairman

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 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 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 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

PROCESSORS AND GROWERS RESEARCH ORGANISATION

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

Whittings LLP

Raleigh House

14C Compass Point Business Park

Stocks Bridge Way

St Ives

Cambridgeshire

PE27 5JL

7 August 2023

Whittings LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Charitable activities	4	887,326	79,046	966,372	826,248
Investments	6	200,357	-	200,357	130,379
Other income	7	-	-	-	1,094
Total income		1,087,683	79,046	1,166,729	957,721
Expenditure on:					
Raising funds		563,128	188,728	751,856	(5,815)
Charitable activities	8	180,106	-	180,106	823,093
Total expenditure		743,234	188,728	931,962	817,278
Net income/(expenditure) before net (losses)/gains on investments		344,449	(109,682)	234,767	140,443
Net (losses)/gains on investments		(87,724)	-	(87,724)	134,814
Net income/(expenditure)		256,725	(109,682)	147,043	275,257
Transfers between funds	19	(109,682)	109,682	-	-
Net movement in funds		147,043	-	147,043	275,257
Reconciliation of funds:					
Total funds brought forward		2,589,169	-	2,589,169	2,313,912
Net movement in funds		147,043	-	147,043	275,257
Total funds carried forward		2,736,212	-	2,736,212	2,589,169

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

The notes on pages 18 to 39 form part of these financial statements.

PROCESSORS AND GROWERS RESEARCH ORGANISATION

(A company limited by guarantee)

REGISTERED NUMBER: 00567232

**BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	375,094	346,251
Investments	14	1,495,416	1,380,567
		<u>1,870,510</u>	<u>1,726,818</u>
Current assets			
Debtors	15	875,917	708,788
Cash at bank and in hand		351,645	488,649
		<u>1,227,562</u>	<u>1,197,437</u>
Creditors: amounts falling due within one year	16	(354,613)	(335,086)
		<u>872,949</u>	<u>862,351</u>
Total assets less current liabilities		<u>2,743,459</u>	<u>2,589,169</u>
Creditors: amounts falling due after more than one year	17	(7,248)	-
Net assets excluding pension asset		<u>2,736,211</u>	<u>2,589,169</u>
Total net assets		<u><u>2,736,211</u></u>	<u><u>2,589,169</u></u>

PROCESSORS AND GROWERS RESEARCH ORGANISATION

(A company limited by guarantee)

REGISTERED NUMBER: 00567232

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Charity funds			
Restricted funds	19	-	-
Unrestricted funds	19	2,736,211	2,589,169
Total funds		<u>2,736,211</u>	<u>2,589,169</u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

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 07 August 2023 and signed on their behalf by:

C S Stowe

Chairman

The notes on pages 18 to 39 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	(19,108)	191,003
Cash flows from investing activities		
Dividends, interests and rents from investments	58,873	45,475
Purchase of tangible fixed assets	(87,801)	(50,610)
Investment managers fees settled	-	3,353
Purchase of investments	(402,572)	(150,000)
Gift aid donation from subsidiary	147,745	84,904
Proceeds from the sale of investments	200,000	-
Net cash used in investing activities	(83,755)	(66,878)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(102,863)	124,125
Cash and cash equivalents at the beginning of the year	500,240	376,115
Cash and cash equivalents at the end of the year	397,377	500,240

The notes on pages 18 to 39 form part of these financial statements

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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 2022**

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.

The subsidiary trading company PGRO Research Ltd has agreed in advance by way of its constitution to mandate annually all profits made up to its parent Charity PGRO by way of charity gift aid donation. Such donation must be made within 9 months of the Balance Sheet date. Due to the commitment plus custom & practice established in this arrangement, the annual profit for the accounting period of the subsidiary is also included as gift aided income in the parent charity accounts in the same year that it arises in the subsidiary.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 72.57% (2021: 72.06%)

Knowledge transfer 27.43% (2021: 27.943%)

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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

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 Company; 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 2022**

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 statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

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 2022**

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 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 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Operating leases

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

2.15 Pensions

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

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.16 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 Company 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 Company 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.

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
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Analysis of income from charitable activities - by type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Membership & levy fees	856,642	-	856,642	700,102
Grants receivable	-	79,046	79,046	110,951
Technical services & publications	10,805	-	10,805	14,485
Research & technical income	19,879	-	19,879	710
Total 2022	<u>887,326</u>	<u>79,046</u>	<u>966,372</u>	<u>826,248</u>
<i>Total 2021</i>	<u>715,297</u>	<u>110,951</u>	<u>826,248</u>	

5. Analysis of income from charitable activities - by fund

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Research and development	643,933	57,363	701,296	595,359
Knowledge transfer	243,394	21,682	265,076	230,889
Total 2022	<u>887,327</u>	<u>79,045</u>	<u>966,372</u>	<u>826,248</u>
<i>Total 2021</i>	<u>715,297</u>	<u>110,951</u>	<u>826,248</u>	

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from local listed investments	52,455	52,455	45,439
Gift aid donation from subsidiary	147,745	147,745	84,904
Investment income - local cash	157	157	36
Total 2022	<u>200,357</u>	<u>200,357</u>	<u>130,379</u>
<i>Total 2021</i>	<u>130,379</u>	<u>130,379</u>	

7. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other income	-	-	1,094
<i>Total 2021</i>	<u>1,094</u>	<u>1,094</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Research and development	143,535	-	143,535	554,356
Knowledge transfer	36,571	-	36,571	268,737
	<u>180,106</u>	<u>-</u>	<u>180,106</u>	<u>823,093</u>
<i>Total 2021</i>	<u>712,032</u>	<u>111,061</u>	<u>823,093</u>	

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Research and development	-	143,535	143,535	554,356
Knowledge transfer	-	36,571	36,571	268,738
Total 2022	-	180,106	180,106	823,093
<i>Total 2021</i>	<i>589,203</i>	<i>233,891</i>	<i>823,094</i>	

Analysis of support costs

	Research and development 2022 £	Knowledge transfer 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	75,671	10,919	86,590	143,922
Depreciation	1,614	610	2,224	3,999
Travel & subsistence costs	327	124	451	598
Other staff costs	488	185	673	1,486
Repairs & maintenance	3,393	1,283	4,676	3,970
Stationery, advertising, postage & equipment hire	9,334	3,528	12,862	14,591
Office running costs	41,057	15,517	56,574	51,085
Professional fees	1,659	627	2,286	5,815
Governance costs	9,992	3,778	13,770	8,425
	143,535	36,571	180,106	233,891
<i>Total 2021</i>	<i>165,966</i>	<i>67,924</i>	<i>233,891</i>	

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Analysis of direct costs

	Research and development 2022 £	Knowledge transfer 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	362,110	59,532	421,642	341,377
Depreciation	41,172	15,562	56,734	56,021
Project costs	134,491	37,479	171,970	111,061
Other staff costs	7,860	2,298	10,158	9,982
Office running costs	1,393	1,393	2,786	1,872
Stationery, advertising, postage & equipment hire	1,817	10,192	12,009	15,188
Travel & subsistence	23,282	40,790	64,072	47,884
	<u>572,125</u>	<u>167,246</u>	<u>739,371</u>	<u>583,385</u>
<i>Total 2021</i>	<u>384,185</u>	<u>199,185</u>	<u>583,370</u>	

10. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>7,955</u>	<u>6,975</u>

11. Staff costs

	2022 £	2021 £
Wages and salaries	431,168	391,891
Social security costs	47,912	55,973
Contribution to defined contribution pension schemes	29,153	37,435
	<u>508,233</u>	<u>485,299</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Staff costs (continued)

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

	2022	<i>2021</i>
	No.	<i>No.</i>
Management and administration	3	<i>3</i>
Direct charitable	14	<i>13</i>
	17	<i>16</i>

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

	2022	<i>2021</i>
	No.	<i>No.</i>
In the band £80,001 - £90,000	1	<i>1</i>

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, excluding employers social security contributions, received by Key Management Personnel of the Group was £217,174 (2021: £246,657).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Office and computer equipment £	Site development £	Total £
Cost or valuation						
At 1 January 2022	284,472	409,265	32,490	133,343	302,354	1,161,924
Additions	-	67,552	-	-	20,250	87,802
At 31 December 2022	<u>284,472</u>	<u>476,817</u>	<u>32,490</u>	<u>133,343</u>	<u>322,604</u>	<u>1,249,726</u>
Depreciation						
At 1 January 2022	118,420	328,698	32,490	131,735	204,330	815,673
Charge for the year	2,765	35,756	-	841	19,596	58,958
At 31 December 2022	<u>121,185</u>	<u>364,454</u>	<u>32,490</u>	<u>132,576</u>	<u>223,926</u>	<u>874,631</u>
Net book value						
At 31 December 2022	<u>163,287</u>	<u>112,363</u>	<u>-</u>	<u>767</u>	<u>98,678</u>	<u>375,095</u>

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

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Fixed asset investments

	Investments in subsidiary companies & mutual organisations £	Listed investments £	Total £
Cost or valuation			
At 1 January 2022	1	1,380,566	1,380,567
Additions	1	402,572	402,573
Disposals	-	(200,000)	(200,000)
Revaluations	-	(87,724)	(87,724)
	<u>2</u>	<u>1,495,414</u>	<u>1,495,416</u>
At 31 December 2022	<u>2</u>	<u>1,495,414</u>	<u>1,495,416</u>
Net book value			
At 31 December 2022	<u>2</u>	<u>1,495,414</u>	<u>1,495,416</u>
At 31 December 2021	<u>1</u>	<u>1,380,566</u>	<u>1,380,567</u>

Listed investments held 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.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
PGRO Research Limited	07583822	Great North Road, Thornhaugh, Peterborough, Cambridgeshire, PE8 6HJ	Trading activities on behalf of the charitable parent company

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Net assets £
PGRO Research Limited	1

15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	393,729	292,600
Amounts owed by group undertakings	375,097	276,359
Other debtors	107,091	139,829
	875,917	708,788

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	171,471	45,995
Amounts owed to group undertakings	22,570	64,306
Other taxation and social security	88,005	102,939
Obligations under finance lease and hire purchase contracts	3,619	-
Accruals and deferred income	68,948	121,846
	<u>354,613</u>	<u>335,086</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

	2022 £	2021 £
Deferred income at 1 January 2022	(16,754)	-
Resources deferred during the year	-	18,737
Amounts released from previous periods	16,754	(35,491)
	<u>-</u>	<u>(16,754)</u>

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

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

	2022 £	2021 £
Net obligations under finance lease and hire purchase contracts	<u>7,248</u>	<u>-</u>

18. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>351,644</u>	<u>488,649</u>

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

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds						
Designated funds						
Designated Funds - all funds	-	-	-	-	-	-
Fixed asset fund	397,349	-	-	20,250	-	417,599
	<u>397,349</u>	<u>-</u>	<u>-</u>	<u>20,250</u>	<u>-</u>	<u>417,599</u>
General funds						
General Funds - all funds	1,939,092	939,938	(743,235)	(129,932)	-	2,005,863
Trading subsidiary	-	147,745	-	-	-	147,745
Revaluation reserve	252,728	-	-	-	(87,724)	165,004
	<u>2,191,820</u>	<u>1,087,683</u>	<u>(743,235)</u>	<u>(129,932)</u>	<u>(87,724)</u>	<u>2,318,612</u>
Total Unrestricted funds	<u>2,589,169</u>	<u>1,087,683</u>	<u>(743,235)</u>	<u>(109,682)</u>	<u>(87,724)</u>	<u>2,736,211</u>
Restricted funds						
Restricted Funds - all funds	-	79,046	(188,728)	109,682	-	-
Restricted Funds	-	-	-	-	-	-
	<u>-</u>	<u>79,046</u>	<u>(188,728)</u>	<u>109,682</u>	<u>-</u>	<u>-</u>
Total of funds	<u>2,589,169</u>	<u>1,166,729</u>	<u>(931,963)</u>	<u>-</u>	<u>(87,724)</u>	<u>2,736,211</u>

PROCESSORS AND GROWERS RESEARCH ORGANISATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2021 £</i>
Unrestricted funds						
Designated funds						
Designated Funds - all funds	355,663	-	-	-	-	355,663
Fixed asset fund	-	-	-	-	-	-
	<u>355,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>355,663</u>
General funds						
General Funds - all funds	1,958,249	761,866	(706,217)	(110)	219,718	2,233,506
Trading subsidiary	-	-	-	-	-	-
Revaluation reserve	-	-	-	-	-	-
	<u>1,958,249</u>	<u>761,866</u>	<u>(706,217)</u>	<u>(110)</u>	<u>219,718</u>	<u>2,233,506</u>
Total Unrestricted funds	<u>2,313,912</u>	<u>761,866</u>	<u>(706,217)</u>	<u>(110)</u>	<u>219,718</u>	<u>2,589,169</u>
Restricted funds						
Restricted Funds - all funds	-	-	-	-	-	-
Restricted Funds	-	110,951	(111,061)	110	-	-
	<u>-</u>	<u>110,951</u>	<u>(111,061)</u>	<u>110</u>	<u>-</u>	<u>-</u>
Total of funds	<u><u>2,313,912</u></u>	<u><u>872,817</u></u>	<u><u>(817,278)</u></u>	<u><u>-</u></u>	<u><u>219,718</u></u>	<u><u>2,589,169</u></u>

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19. 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 similar 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 £20,250 (2021: £41,686) 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 £147,745 (2021: £84,904) 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.

20. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Designated funds	397,349	-	-	20,250	-	417,599
General funds	2,191,820	1,087,683	(743,235)	(129,932)	(87,724)	2,318,612
Restricted funds	-	79,046	(188,728)	109,682	-	-
	<u>2,589,169</u>	<u>1,166,729</u>	<u>(931,963)</u>	<u>-</u>	<u>(87,724)</u>	<u>2,736,211</u>

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20. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2021 £</i>
Designated funds	355,663	-	-	-	-	355,663
General funds	1,958,249	761,866	(706,217)	(110)	219,718	2,233,506
Restricted funds	-	110,951	(111,061)	110	-	-
	<u>2,313,912</u>	<u>872,817</u>	<u>(817,278)</u>	<u>-</u>	<u>219,718</u>	<u>2,589,169</u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	375,094	-	375,094
Fixed asset investments	1,495,416	-	1,495,416
Current assets	1,227,561	-	1,227,561
Creditors due within one year	(354,614)	-	(354,614)
Creditors due in more than one year	(7,248)	-	(7,248)
Total	<u>2,736,209</u>	<u>-</u>	<u>2,736,209</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	147,043	275,257
Adjustments for:		
Depreciation charges	58,958	60,020
Gains/(losses) on investments	87,724	(134,814)
Dividends, interests and rents from investments	(58,872)	(45,475)
Gift aid donation from subsidiary	(147,745)	(84,904)
Decrease/(increase) in debtors	(167,133)	65,632
Increase in creditors	26,776	43,695
Movement of cash held in investment wrapper	34,141	11,592
Net cash provided by/(used in) operating activities	(19,108)	191,003

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	351,644	488,648
Cash held in investment wrapper	45,733	11,592
Total cash and cash equivalents	397,377	500,240

24. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	Acquisition and disposal of subsidiaries £	At 31 December 2022 £
Cash at bank and in hand	488,649	(137,005)	-	351,644
Hire purchase	-	-	(10,867)	(10,867)
	488,649	(137,005)	(10,867)	340,777

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25. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	22,000
	<u> </u>	<u> </u>

26. 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 £38,918 (2021: £40,695).

At the year end, pension contributions payable of £Nil were included within taxation & social security (2021: £6,301).

27. Operating lease commitments

At 31 December 2022 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	16,372	26,731
Later than 1 year and not later than 5 years	2,705	14,040
	<u>19,077</u>	<u>40,771</u>

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28. Related party transactions

The Charity has taken advantage of the exemption contained in FGRS 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 £8,573 (2021: £10,385). The amount outstanding from Fen Peas Limited at the balance sheet date was £Nil (2021: £Nil).

British Growers Association - an organisation under common control of John Ward
During the year, British Growers Association invoiced PGRO £6,735 (2021: £Nil). The amount outstanding to British Growers Association at the balance sheet date was £8,082 (2021: £Nil). British Growers Association also offer the opportunity for their customers to become members and as a result, PGRO acquired a £1 share on 1st November 2022. The cost of this acquisition is presented within fixed asset investments.

Key Management Personnel remuneration has been disclosed in note 11 and Trustees remuneration & expenses have been disclosed in note 12.

29. Controlling party

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