

# ANNUAL REPORT

for the year ended 31 March 2016







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## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORY COMMITTEES Year to 31 March 2016

### TRUSTEES

Fred Allen	(appointed 27 April 2015)
Michael Bell	
James Campbell	
Conall Donnelly	(appointed 27 April 2015)
John Henning	
Henry Jordan	
Mervyn King	
Ian Marshall	
John Martin	
Wilbert Mayne	
Allister Mitchell	
Peter Morrow	(appointed 16 November 2015)
Oisin Murnion	

### REGISTERED OFFICE

Countryside Services Limited  
97 Moy Road,  
Dungannon  
BT71 7DX

### REGISTERED NUMBER

NI 35855

### CHARITY NUMBER

NIC102341 HMRC Ref. XR223492

### FINANCE OFFICER\*

Karen Rainey

### BANKERS

Danske Bank Limited  
471 – 473 Antrim Road, Belfast  
BT15 3BP

Ulster Bank  
22 Frances Street, Newtownards  
BT23 3DP

### OPERATIONS OFFICE

Innovation Centre  
Large Park,  
Hillsborough  
BT26 6DR

### GENERAL MANAGER & COMPANY SECRETARY

Jason Rankin

### REGISTERED AUDITORS

RSM Northern Ireland  
1 Lanyon Quay,  
Belfast,  
BT1 3LG

### SOLICITORS

J McKee & Sons  
The Linenhall,  
32-38 Linenhall Street,  
Belfast,  
BT2 8BG

\* Finance services provided by Countryside Services Ltd

## ADVISORS

### BEEF ADVISORY COMMITTEE

Sam Chesney -Vice Chairman  
Ian Dickson  
Ray Elkin  
George McAuley  
Liam McCarthy  
Emma Russell  
Derek Shaw  
John Sheridan  
Dr Raymond Steen  
Ian Stevenson  
James Taylor -Chairman  
Maurice Watson  
Norman Weatherup (Non-voting CAFRE liaison)

### DAIRY ADVISORY COMMITTEE

Peter Conway  
Adrian Houston  
Andrew Magowan  
Robert Martin  
Cathal McAleer  
Ian McCluggage (Non-voting CAFRE liaison)  
Robert McConaghy  
Drew McConnell - Chairman  
Dr Alan McIlmoyle  
Thomas Steele  
David Stewart - Vice Chairman  
Stewart Watson

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### SHEEP ADVISORY COMMITTEE

Edward Adamson  
Dr Jonathan Birnie  
James Brennan  
Crosby Cleland -Vice Chairman  
Stuart Cromie  
John Harkin  
Seamus Maginn  
Colin Smith  
Dr Raymond Steen  
Campbell Tweed  
David Wallace  
Samuel Wharry -Chairman  
Norman Weatherup (Non-voting CAFRE liaison)

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# AGRISEARCH CHAIRMAN'S REPORT

The need to adapt to changing circumstances has been a recurring challenge for the Northern Ireland Agricultural Research and Development Council (AgriSearch) during the past few years.



The year to the end of March 2016 was my final one as chairman of AgriSearch. I am pleased to report that the organisation is in good heart and in very capable hands to progress with its stated purpose to make Northern Ireland's ruminant livestock sector more competitive, profitable and sustainable.

During recent years, there have been considerable changes in the way that government funding for agricultural research has been allocated. This has occurred in Northern Ireland and more widely across the UK and the European Union. Changes have also been made in the accounting for overheads within the Agri-Food and Biosciences Institute (AFBI) and this has added to the costs for research projects being undertaken locally. There have been increasing opportunities to involve farmers in research work on their own farms across NI. In a separate development, AgriSearch has been involved in assisting Animal Health and Welfare NI (AHWNI), the industry-led initiative

to tackle diseases and conditions of cattle which are endemic in Northern Ireland but not currently subject to regulatory or statutory programmes of control or eradication.

These changes have brought significant challenges and it is pleasing to note that AgriSearch has risen to the task in various ways. For example:

- by developing expertise in recruiting 'co-researchers' to work with scientists on-farm
- by taking the lead in applications to the Research Challenge Fund administered by the Department of Agriculture and Rural Development
- by playing a key role within the successful application for the 'EuroDairy' project under the EU Horizon 2020 programme
- by providing support 'in kind' for projects when it is appropriate to do so as an alternative to allocating finance from the relatively small annual income that accrues in levies.





The levy income was reduced during 2015-16, as some milk buyers chose not to collect the levy from all of their suppliers. This posed the threat of a downward spiral as indicated in the annual report a year ago. I'm pleased to report that this issue was addressed during the year and has been corrected following further rationalisation within the processing sector since the year end. The individual rates of levy in 2015-16 remained unchanged at 0.02p/litre of milk, 5p/sheep slaughtered in NI and 40p/bovine animal slaughtered in NI, of which 10p goes to AHWNI.

Another noteworthy development during the year has seen AgriSearch recruit and employ a Project Manager to advance the initiative to create a Northern Ireland Livestock Industries Data Hub, which has been identified as the preferred way to collate and use data in NI to provide genetic evaluations of livestock.

More information on these and other developments is given elsewhere in this report by AgriSearch's General Manager, Jason Rankin, who has been a driving force for the organisation. He played a significant role in co-ordinating support for Northern Ireland institutions (AFBI and Queen's University of Belfast) to be included in the UK Centre for Innovation Excellence in Livestock (CIEL) which has resulted in funding of capital investment in facilities for

agricultural research that will ultimately benefit livestock farmers.

One of the conditions of our involvement in the 'EuroDairy' project was that services provided by AgriSearch could not be done through a sub-contractor, so it was agreed amicably with Countryside Services Limited (CSL) to transfer Jason Rankin to be directly employed by AgriSearch with effect from 1 January 2016. Thanks to CSL and our professional advisers, that significant change for AgriSearch was achieved seamlessly. CSL has continued to provide AgriSearch with accounting, payroll and finance officer services.

At the end of 2015, AgriSearch leased office accommodation in a building at Large Park, Hillsborough, now known as the Innovation Centre. Operating from that base, Jason Rankin was subsequently designated as General Manager of AgriSearch and shares office space there with Steven Morrison (part-time Project Manager for the Data Hub work) and David Anderson (Field Officer working on the beef research project looking at novel breeding methods on NI suckler herds).

All three employees in place at the end of 2015-16 have proved to be diligent in their work and excellent



AgriSearch Trustees from left, rear rank: Fred Allen, Oisín Murnion, Henry Jordan, John Martin, Ian Marshall, Mervyn King, Conall Donnelly and Wilbert Mayne. Seated from left, General Manager Jason Rankin, Chairman Michael Bell, Senior Vice Chairman James Campbell, Vice Chairman John Henning and Karen Rainey, Finance Officer.

ambassadors for AgriSearch. I thank them for their input. I also wish to record my sincere thanks to all of the trustees and members of the advisory committees of AgriSearch during the past year and any of the years during which I have been chairman. I would especially thank those who have served as chair or vice-chair of any of the advisory committees and take this opportunity to mention the most recently retired chair, Samuel Wharry, who gave dedicated service until his term with the sheep advisory committee ended in April 2016.

Fred Allen, Conall Donnelly and Peter Morrow joined the Board of Trustees during the year under review. Each has brought particularly useful experience and

skills to the Board and all have shown the commitment and enthusiasm for the job that has been a mark of the trustees with whom I have had the privilege to engage over the years.

Following deliberations by the Board in September 2015, Michael Bell was elected chair-designate and John Henning vice-chair-designate. They subsequently participated in regular meetings of office bearers and formally became the main office holders on 1 April 2016, with myself as senior vice-chair. Michael and John have brought fresh eyes, new skills and renewed impetus to AgriSearch, which is excellent for the organisation.

**James Campbell**

## NEW TRUSTEES



Fred Allen is a dairy farmer from Randalstown, he is Vice-Chair of United Dairy Farmers and a Director of the Dairy Council of Northern Ireland.



Conall Donnelly is Chief Executive of the Northern Ireland Meat Exporters Association. In this role he develops policy and supports the beef and lamb industry on a range of technical, economic and supply chain issues. Conall has a background in economic research and analysis having worked in the past for Mintel and for the Livestock & Meat Commission for NI.



Peter Morrow grew up on a dairy farm near Gilnahirk. He started his off-farm career working for UTV's Farming Ulster, which combined his passions for farming and communication. In 1985 he founded Morrow Communications which has become one of Northern Ireland's leading public relations companies.

# INCOMING CHAIR'S INTRODUCTION

I was honoured to be elected the Chair of AgriSearch with effect from 1st April 2016.

I would like to acknowledge the enormous contribution that James Campbell has made to AgriSearch. James joined the Board of Trustees as Vice-Chair in September 2004 and was appointed Chair in February 2009.

James has worked tirelessly to raise the profile of AgriSearch and helped the organisation adapt to ever changing circumstances. During his time in office he oversaw a major strategic review of the organisation. He is continuing his support of both myself and AgriSearch as outgoing Chair. This is part of the new governance procedures we have instigated. I am also pleased that John Henning joins us as incoming Vice Chair.

James has led AgriSearch's change from being merely a co-funder of research, to being a leader and active partner in research projects. We have also increased our knowledge exchange activities to ensure that the findings of research are communicated in an effective manner to the end user.

I look forward to continuing the process of change which James has initiated. Since the year end AgriSearch has already been involved in two successful bids for highly innovative projects led by Queen's University which are being funded by the Agri-Food Quest Competence Centre.

The landscape for both the agri-food sector and research and innovation funding continues to change. The new Centre for Innovation Excellence in Livestock (CIEL) will have a large impact in delivering cutting



edge research infrastructure at both AFBI and Queen's. As a founding member of the centre, AgriSearch is already engaging with the new CIEL staff on potential future opportunities for collaborative projects. I am also pleased to report that my Vice-Chair John Henning was recently appointed to the Board of CIEL.

Through our Project Manager Steven Morrison AgriSearch is helping to take the recommendations of the AbacusBio Report on the establishment of a Northern Ireland Livestock Industries Data Hub through to implementation. AgriSearch will consider how best we can help assist Northern Ireland livestock industries in the future.

As 2017 marks AgriSearch's 20th anniversary, we plan to use this opportunity to review the benefits we have delivered. We will also focus on the future and how best we can serve our farmers for the next twenty years.



# PROJECTS COMMISSIONED BY AGRISEARCH BETWEEN 1ST APRIL 2015 AND 31ST MARCH 2016

## Reviewing Beef Nutritional Standards - PhD Studentship

Development of systems to improve dairy origin beef youngstock health and performance

Molecular and immunological characterisation of the biofactors in colostrum from two divergent cow breeds (dairy and beef) and best practice cow calf separation techniques

Providing strategic direction to the NI dairy sector through the interrogation of the CAFRE benchmarking database

The role of confinement, partial confinement and zero grazing systems within the NI dairy sector and the identification of strategies to optimise these systems

Efficient, innovative and sustainable heifer rearing systems: improving efficiencies through the utilisation of precision technologies and an enhanced understanding of the nutrient requirement of dairy youngstock

## Grass Check 6 - Grass growth and quality monitoring

EuroDairy

Impact of rearing regime on the performance, behaviour, health and welfare of dairy origin calves.

NI Livestock Industries Datahub - Project Manager for Phase II

## Detecting Jaagsiekte Sheep Retrovirus (JSRV) in a Thin Ewe Diagnostic Package

Optimising ewe efficiency through better recording

Provision of a ewe recording service to the NI sheep industry using mobile applications



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 696264.

The EuroDairy Network connects dairy farmers wishing to improve their performances, in order to create a more sustainable future for their farms.

#### KEY ISSUES FOR FUTURE SUSTAINABILITY



Socio-Economic Resilience



Resource Efficiency



Animal Care



Biodiversity

EuroDairy puts farmers at the centre of practicebased innovation, adapting and developing new and existing knowledge to produce implementable solutions, which can be shared across the network.

#### THE GRASSROOTS



120+  
Innovating Pilot Farmers



40+  
Farmer-led operational groups



10+  
Knowledge Transfer Centers

EURODAIRY  
PARTNERS



WWW.EURODAIRY.EU

## GENERAL MANAGER'S REPORT

The past year has seen steady progress on several fronts for AgriSearch.



### RESEARCH FUNDING STREAMS

Our levy income on its own would fund very little research. The total AgriSearch levy income in 2015/16 was £383,018 and it is not uncommon for research projects to cost over a million pounds. It is therefore essential that we try and leverage as much external funding as possible.

DAERA's (Department of Agriculture, Environment and Rural Affairs) Evidence and Innovation Strategy continues to be a valuable source of research funding. An extended hiatus in research commissioning resulted in no new projects being commissioned under this funding stream in the 2014/15 financial year. Thankfully the situation was resolved and four large-scale projects involving AgriSearch co-funding were finally commissioned in October 2015.

Shortly after the end of the financial year (31 March 2016) we received news that a proposal for a large Rumen Fluke research programme to be led by Queen's University (with AFBI involvement) had been awarded funding by BBSRC (Biotechnology and Biological Sciences Research Council). Industry co-funders include AHDB (Agriculture and Horticulture Development Board) and AgriSearch.



### EU HORIZON 2020

AgriSearch along with 19 other partners from 14 EU member states were awarded funding under the EU's Horizon 2020 programme for a new thematic network called EuroDairy. The project started in February 2016. EuroDairy is a new network to connect dairy farmers wishing to improve the performance of their farms, and to provide a more sustainable future for their farms and families. This comes at a time of unprecedented challenges for the sector following the abolition of milk quotas.

### COLLABORATIVE WORKING

AgriSearch continues to seek to work with similar organisations from across the UK and further afield. We maintain close contact with AHDB and during the past year have embarked on 5 collaborative projects with AHDB.

AHDB Dairy are funding the PhD Studentship of Robert Patterson. Robert is studying precision heifer rearing and his studies will add value to the existing DAERA and AgriSearch co-funded programme of work in this area.



Steven Morrison (AFBI), Michael Bell (Chair, AgriSearch), Robert Patterson (PhD Student), Ray Keatinge (Head of Animal Science, AHDB)



On a local level AgriSearch works closely with the Livestock and Meat Commission. We are currently working with LMC and AFBI (Agri-Food and Biosciences Institute) on a project to improve the effectiveness of BovIS (Bovine Information System) and to develop a multi-functional mobile application for the cattle and sheep sectors. LMC also provides ongoing and invaluable support for our sheep research programme.



## **CENTRE FOR INNOVATION EXCELLENCE IN LIVESTOCK**

The Centre for Innovation Excellence in Livestock finally got approval from the UK government and was incorporated early this year with AgriSearch as a founder member. The centre will see around £28 million invested in the UK's livestock R&D infrastructure with £3.6 million to be invested at AFBI and a further £300K to be invested at the Institute for Global Food Security at Queen's University Belfast.

## **PROJECTS COMMENCED**

AHDB Beef and Lamb and AgriSearch have agreed to jointly fund a PhD student to review beef nutritional standards. This will involve a literature review and a series



*PhD Student Sophie Tyner*

of trials at Hillsborough. Sophie Tyner was awarded this PhD studentship and commenced her studies at the start of October.

AgriSearch have also agreed to provide funding for a new DAERA PhD Student (Naomi Rutherford) who will be developing systems to improve the health and performance of dairy-origin young stock beef.



*PhD Student  
Naomi Rutherford*

Given the continuing pressure on margins in the dairy sector AgriSearch have agreed to fund a project which will seek to “data mine” 10 years of data accumulated by CAFRE as part of their dairy benchmarking programme. The aim of this project is to identify the key drivers of profitability on Northern Ireland dairy farms. Unfortunately, due to staff shortages in the dairy research team at AFBI this project has been delayed.

With an increasing number of farmers now housing their cows year-round and a growing interest in zero grazing a new DAERA and AgriSearch funded project was commissioned to examine the role of confinement, partial confinement and zero grazing systems within the Northern Ireland dairy sector and the identification of strategies to optimise these systems.

A major new study examining the role of higher protein forages and homegrown protein sources within Northern Ireland dairy farming systems got underway in the autumn. This will build on a pilot study carried out by DAERA PhD student David Johnston with support from AgriSearch. The initial results of these studies



*PhD Student David Johnston*

have been encouraging. It is hoped that this work will help to reduce the dairy sector's reliance on imported protein as well as having the potential to reduce the use of chemical fertiliser.

While previous research has proven that 24 months is the optimum age to calve down dairy heifers many farmers are not meeting this target. A new project has been commissioned which will seek to improve the efficiency of heifer rearing through the use of precision technologies. The project will also deliver an enhanced understanding of the nutrient requirements of dairy youngstock.

GrassCheck is AgriSearch's longest running programme. 2016 saw the start of its sixth incarnation, now solely funded by AgriSearch. This is based on the plots at Greenmount and Hillsborough. In the weekly publication of GrassCheck information more space has been provided for management notes which have been well received.

Along with AHDB (Beef and Lamb) and HCC (Meat Promotion Wales) AgriSearch funded a pilot study at Moredun Research Institute (Edinburgh) to assess the performance of PCR (polymerase chain reaction) techniques to detect Jaagsiekte Sheep Retrovirus (JSRV) as part of a thin ewe diagnostic package. JSRV can cause an infectious lung tumour (known as OPA). There is no treatment or vaccine and once clinical signs are seen the disease is invariably fatal. Affected flocks may lose as much as 20% of their stock in the first couple of years that OPA is seen.

For the past number of years AgriSearch has helped fund the Hillsborough Flock recording scheme. This helps sheep farmers identify the best ewes to breed replacements from. The scheme uses lambing and weaning booklets and while these booklets are very popular few get returned to Hillsborough for analysis.

It is planned to develop a mobile application which will allow farmers to record lambing and weaning data on their smartphones and get reports back automatically. Initial scoping work has been carried out and it is planned to incorporate this in a multifunctional beef and sheep app being jointly developed by AFBI, LMC and AgriSearch.

AgriSearch also provided interim support to ensure the continuation of our long-term on-farm sheep breeding research programme. The new phase aims to identify the best characteristics of the different breeds used, especially in terms of lambing ease, weaning rates, lamb growth and lifetime performance. The new phase of the programme will also seek to quantify the improvements/benefits achieved across farms since 2009 following the implementation of selection strategies based on performance data rather than 'looks'.

## AGRI-FOOD QUEST COMPETENCE CENTRE

AgriSearch became a member of the new Agri-Food Quest Competence Centre (AFQCC). This new initiative will have a research budget of £4.5million (total) to be spent over the next five years on the following themes:

- Hygiene and shelf-life
- Innovative processing and packaging
- Innovative products and concepts
- Safety and Traceability
- By-products and sustainability

Following the year-end AgriSearch joined two successful consortia for AFQCC funding led by Queen's University, Belfast.



## NI LIVESTOCK INDUSTRIES DATA HUB

As indicated in last year's report, AgriSearch along with other industry organisations co-funded an Agri-Food Strategy Board project to evaluate options and identify a preferred way forward for the gathering and integration of industry data, to enable its use for the provision of genetic evaluations and benchmarking reports. This project was undertaken by AbacusBio, a world leading agri-consultancy with significant previous experience in the area of livestock genetics.

The recommendation of the AbacusBio review was that Northern Ireland establish its own Livestock Industries Data Hub. Further to this AgriSearch agreed to employ a Project Manager for a one-year period to develop the business case and the other steps needed to prepare for full implementation of the AbacusBio recommendations. Following an open recruitment process, Dr Steven Morrison was hired for a period of 12-months as a part-time project officer. AgriSearch would like to acknowledge the co-operation of AFBI in releasing Dr Morrison to work on this project.



*Livestock Improvement Project Manager Dr. Steven Morrison*

## KNOWLEDGE TRANSFER

Due to the aforementioned "hiatus" in research commissioning there were not as many new research findings to communicate during the last financial year and as a result of this there were fewer knowledge transfer (KT) activities during the year.

The first KT event was a dairy seminar held in conjunction with AFBI. After listening to a series of theatre papers in the morning, those in attendance were shown around the yard where AgriSearch PhD students Amanda Dunn and Mark Little gave presentations on their ongoing research projects.







*Speakers and session chairs at the AFBI / AgriSearch Dairy Conference: John Bailey, Sinclair Mayne, Peter Purcell, James Campbell, Andrew Dale, Conrad Ferris, Steven Morrison, Gareth Arnott*

In July AgriSearch took a stand alongside AFBI and CAFRE at the National Sheep Association Biennial Sheep Event at Ballymena Livestock Market.

In September a joint CAFRE, AFBI, AgriSearch Beef Event was held at Abbey Farm on CAFRE's Greenmount Campus.

Unfortunately, a major dairy open day which had been planned to take place at Hillsborough in September 2015 had to be cancelled due to disease control restrictions.



*AgriSearch chair James Campbell calls for questions for guest speaker Tom Tynan*

Despite the dairy open day being cancelled we were able to go ahead with a breakfast briefing which had been planned to coincide with this event. The special guest speaker was Tom Tynan - Member of EU Commissioner Phil Hogan's Cabinet with responsibility for Agricultural Research and Innovation, Rural Development and Agricultural Markets. Tom Tynan

spoke of the challenge of getting innovation onto farms and how it was planned to address this issue through European Innovation Partnerships and Rural Development Programmes.

Our stand at the RUAS Winter Fair featured ongoing work by PhD students Amanda Dunn and David Johnston who were on the stand alongside our former Global Research Officer Gareth Arnott to engage directly with farmers and members of the trade.

In March a series of three farm walks spread across Northern Ireland were held to disseminate the first year results of a Research Challenge Fund programme on the use of synchronisation and high EBV sires in the suckler herd. The farmer co-researchers hosting these events were Stephen Maguire (Maguiresbridge), Kenneth and David McKinstry (Magherafelt) and Michael Griffiths (Saintfield).

AgriSearch wishes to express thanks to the farmers and to the CAFRE and AFBI staff for their involvement, without which these events would not have been possible.

AgriSearch has been making its printed materials readily available to CAFRE advisors for use in the newly formed Business Development Groups.

Excluding levy collected on behalf of AHWNI, the total levy paid to AgriSearch fell by 12.6% year on year. This was mainly due to a sharp decrease in the amount of dairy levy collected despite the continuing increase in Northern Ireland's overall production levels. I am pleased to report that since the year end the situation has improved and the amount of dairy levy collected has started to rise again. The collection of dairy levy is the subject of ongoing discussions with DairyUK and the Agri-Food Strategy Board. It continues to be AgriSearch's view that where work is carried out for

the benefit of all dairy farmers, it is only fair that all should pay.

During the year £49,753 was received from DARD (now DAERA) as grant-aid for projects carried out under the Research Challenge Fund.

## NEW FUNDING COMMITMENTS

During the financial year 2015/16 AgriSearch agreed to fund 13 projects by providing a total of £467,578 on the understanding that there would be complementary funding in the region of £5,149,413 from other sources, including the Department of Agriculture and Rural Development and the European Commission.

## CHARITIES COMMISSION FOR NORTHERN IRELAND

AgriSearch was formally registered as a charity by the Charities Commission for Northern Ireland on 30th July 2015.

The statutory requirements of the Charities Act are reflected in substantial changes in the Trustees report and financial statements published this year.

## ACKNOWLEDGEMENTS

I would like to thank the Trustees and members of the

advisory committees for their invaluable commitment to AgriSearch. The CAFRE technology transfer team deserve particular thanks for all their continuing assistance with knowledge transfer. Last but by no means least I would like to thank the staff at AFBI Hillsborough for their ongoing support, particularly with all the assistance they gave in helping AgriSearch set up its new offices at Hillsborough.

## CONCLUSION

AgriSearch continues to adapt and grow to respond to the current challenges facing the ruminant livestock sector as well as the transformed operating environment for research, development and innovation in the UK and internationally. It has moved from being solely a funder of research to being a much more active participant in a wide range of innovative projects.

Today's regional, national and international research programmes call for the active involvement of industry partners. AgriSearch provides a means for farmers to have a voice and role in these projects, the findings of many of which will inform government policy in the future as well as providing farmers with the tools and information needed to compete in an ever changing world.



# TRUSTEES' ANNUAL REPORT

## FOR YEAR ENDED 31ST MARCH 2016

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The Trustees present their report and accounts for the year ended 31 March 2016. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

### OBJECTIVES AND ACTIVITIES

#### Charitable objective

The principal activity of the Council is to commission research and development in the agricultural industry. The Charity's objectives are to advance education, for the public benefit, in particular, by conducting and commissioning research into the improvement and development of sheep, beef and dairy farming and to disseminate and publish the useful results of such research and also to promote the improvement of animal health and welfare in sheep, beef and dairy farming in Northern Ireland.

#### Aims of the charity

Like all industries the Northern Ireland ruminant livestock sector needs to constantly advance to meet the challenges it faces. These include competitiveness in an increasingly globalised market, meeting government and consumer expectations in the fields of animal health and welfare, reducing the environmental impact of farming, delivery of ecosystem services and improving food quality and safety.

Research and innovation have a major role to play in helping farmers to increase their socio-economic resilience, improve their environmental sustainability and enhance the health status of their herds and flocks.

During 2014-15 the Trustees commissioned a complete review of AgriSearch's strategy and future direction.

This included engaging with all those involved in AgriSearch's committees as well as external stakeholders.

The key elements of the new strategy are:

**Purpose :** To make the Northern Ireland Ruminant Livestock Sector more competitive profitable and sustainable

**Vision :** AgriSearch is committed to being an important driver of excellence and innovation in the Northern Ireland ruminant livestock sector, and being recognised as such by government and industry.

**Mission :** To realise this vision, our mission is to drive profitability and sustainability, as a trusted, valued conduit of knowledge and innovation based on sound science and widely applied research.



## VALUES AND PRINCIPLES:

Our values and principles below will be prevalent in all of our activities and reflected in all of our work.

- Honesty and integrity
- Ethical leadership and good governance
- Accountability to farmers - levy payer led
- Consultation, engagement, and effective communication at all levels of government and the industry
- Collaboration and partnership across all our sectors
- Seeking value for money in all of our research and innovation projects and programmes
- Advocating excellence in all research, science, and innovation activities

## HOW ACHIEVEMENT OF AIMS FURTHERS OBJECTIVES

The charity is dependent on the goodwill of its levy funders. Given this, the Trustees have put in place a range of systems to try to ensure appropriate research projects are commissioned, that research findings are innovatively disseminated and that feedback and engagement are sought. Innovative research and development is a key strategy within Government targets. AgriSearch is also committed to innovative research and development and aims to maximise its influence and impact. AgriSearch also seeks to collaborate with government and industry bodies within Northern Ireland and further afield. By doing so we can gain leverage of our limited levy funds to achieve much greater impact than working alone.

It is also the policy of the Trustees that the return on investment of the funds directed to research is analysed and measured to ensure optimum value for money on behalf of the charity's funders. Increasingly, as research projects reach conclusion, greater emphasis is being placed on the dissemination of findings and the adoption by industry of the key recommendations into every day working practice. Environmental and animal welfare considerations continue to be more significant factors in the sustainability of farming and AgriSearch takes increasing notice of these factors.

## STRATEGIES FOR ACHIEVING AIMS AND OBJECTIVES

- To build understanding of global advances in production systems, practices and techniques, through the funding of new research, the sharing of knowledge, and widespread innovation and development.
- To lever funding and deliver programmes through collaborative research partnerships, actively seeking partners locally, nationally and internationally, and developing mutually beneficial relationships.
- To establish expertise in fund raising and the organisational capabilities to be proactive and responsive in rising to emerging opportunities and industry challenges.
- To communicate more effectively and directly with farmers, increase the number of farmers we reach and increase their active participation.
- To facilitate bottom up, industry led priorities for research and innovation, based on need.
- To support the NI science community, working to ensure the future capacity and capability of NI scientists and agriculturalists



## CRITERIA USED TO ASSESS SUCCESS

- Funding applied for and awarded, including partnerships
- Improvements in productivity and efficiency at farm level
- Improvements in systems, processes, and practices
- Increased profitability from farming ruminant livestock
- Reduced input, overhead, and energy costs per unit of output
- Increased or more productive use of land
- Strength of AgriSearch profile locally and internationally
- Level of industry/farmer confidence in AgriSearch research models, methods, and outcomes
- Strong collaborative relationships in government, in the agri-food industry, and in the scientific and academic community
- Increase in effectiveness of communication
- Value for money and impact on farming (economic and environmental)

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

## MAIN OBJECTIVES FOR THE YEAR AND STRATEGIES FOR ACHIEVING THEM

- To engage with DARD on the 2016 Evidence and Innovation call to try to ensure that projects commissioned meet the needs of our farmer levy payers.
- To maximize the leverage of funds from sources outside AgriSearch.
- To increase the knowledge transfer activities of AgriSearch in co-operation with AFBI and CAFRE to improve the dissemination of AgriSearch funded research.
- To engage with other levy bodies in Great Britain and further afield to pool resources, avoid the duplication of research and place ourselves in a position to draw down funding under the EU Horizon 2020 programme.
- To assist in the drawdown of capital funding to improve Northern Ireland's ruminant research infrastructure.

## GRANT MAKING POLICY

Investments in research programmes take into account value for money, affordability and the potential for the



research to be adopted in practice on farms in Northern Ireland.

Any research proposal must address at least one of the following key pillars:

- Sustainability / profitability
- Environmental Impact
- Animal Welfare
- Food quality / safety

The Trustees also look for additional external funding in any research projects they approve. This is mainly obtained through the Department of Agriculture's Evidence and Innovation Strategy and Research Challenge Fund programmes. The Trustees are also actively looking at other sources of funding such as the European Union and are liaising with organisations and universities across the UK and Europe to collaborate where appropriate.

## USE OF VOLUNTEERS

The charity makes significant use of volunteers in the course of its work. In addition to the Trustees the members of the three sectoral advisory committees give freely of their time in attending and preparing for committee meetings as well as supporting AgriSearch in the events that it runs.

In addition, many of AgriSearch's research programmes are based on commercial Northern Ireland farms who only receive a small payment for the time they spend on these projects and who make their herds and flocks available for research as well as allowing access to farm records and hosting extension events on their farms.

## ACHIEVEMENTS AND PERFORMANCE

### SUMMARY OF MAIN ACHIEVEMENTS

- Commissioned 13 new research projects.
- Website continuously updated along with use of social media.
- 3 farmers' booklets published during the year.
- Maintained profile of AgriSearch in the print media with regular articles in the farming press and local newspapers.
- Produced two videos on 'GrassCheck' and early season grazing.
- Used trade stands at the NSA Sheep Event, Pedigree Calf Fair and Royal Ulster Winter Fair to disseminate research results to farmers.
- 4 beef farm walks held during the year in conjunction with AFBI and CAFRE.
- Involved in three Horizon 2020 submissions.
- Proactively engaged in the consortium for a "Centre for Innovation Excellence for Livestock" (CIEL) and joined CIEL as a founder member. Active engagement with the planning for the centre helped secure £3.6M of capital funding for livestock research equipment at AFBI.
- Along with 20 other partners across 14 countries commissioned "EuroDairy" a Horizon 2020 thematic network.
- Actively involved in the Livestock Genetics sub-group of the Agri-Food Strategy Board.
- Participated in a "dairy-levy working group" looking at finding an equitable long-term solution to the collection of dairy levy.
- Recruited a Livestock Improvement Project Manager to take forward the recommendations of the AbacusBio report on "Evaluation of genetic improvement options for the dairy, beef and sheep sectors in Northern Ireland".
- Successfully registered as a charity with the Charities Commission for Northern Ireland.

### ACHIEVEMENTS AGAINST OBJECTIVES

Given the straightforward nature of the business, the company's directors are of the opinion that analysis

using KPI's is not necessary for an understanding of the development, performance or position of the business.

### INVESTMENT PERFORMANCE AGAINST OBJECTIVES

Cash flow and reallocation of funds between accounts has been managed to maximize the limited returns available on deposit accounts. The Danske Bank managed portfolio has returned satisfactory performance with an average return of 6.56% since its launch and a return of -2.72% this year. The Trustees have reviewed the portfolio and returns and are satisfied with the management of risk and investment income.

A comprehensive investment review was carried out during the financial year and since the year end in light of the continuing low rates of interest on bank deposit accounts, a further £200,000 has been invested in a portfolio managed by St. James's Place.

## FINANCIAL REVIEW

### REVIEW OF FINANCIAL POSITION

The statement of financial activities for the year is set out on page 25 of this report. The net movement in funds for the financial year is net expenditure of £119,238 (2015: net expenditure of £6,172). During the year AgriSearch agreed to fund 13 projects totalling £467,578 on the basis that complementary funding in the region of £5,149,413 would be sought from Department of Agriculture and Rural Development (now the Department of Agriculture, Environment and Rural Affairs), the European Commission and other sources.

When other sources of funding are added, the total expenditure on the related research and development since the formation of AgriSearch in 1997 is over £29m (with an AgriSearch input of £7.8m).

### PLANS FOR FUTURE PERIODS

- To continue our involvement in EuroDairy – a thematic network funded by the European Commission under



the Horizon 2020 programme. This will include the recruitment of pilot farms and the establishment of “Operational Groups” to participate in the network.

- To participate in the building of further networks and consortia to pool resources, avoid the duplication of research and draw down external funding.
- To reconstruct the business case for a Northern Ireland Livestock Industries Data Hub in line with local government requirements and to engage with local industry to achieve support of all relevant stakeholders for this initiative.
- To continue our membership of and involvement in the Centre for Innovation Excellence in Livestock.
- To seek to collaborate (where appropriate) with local industry in projects co-funded through the Agri- Food Quest Competence Centre.
- To maintain the reach of our knowledge transfer programme through further on-farm events, seminars and by increasing the circulation of the Ezine and increasing traffic to the website and social media.
- To further develop our communications and knowledge transfer strategy and to engage a new Public Relations service provider
- To engage with DAERA and the Agri-Food Strategy Board to ensure a high priority is given to research and knowledge transfer and ensure co-ordination of research and knowledge transfer activities and maximize synergies.
- Where appropriate to link into initiatives under the Northern Ireland Rural Development Programme 2014-2020 (such as Operational Groups, Demonstration Farms, etc.)
- Engage with AFBI and CAFRE to maximise knowledge transfer with particular reference to the opportunities presented by the new CAFRE / NIRD DP Business Development Groups.
- To maximise the opportunities arising from sponsorship of the EAAP Conference being held in Belfast in 2016.
- To plan for a series of activities to mark AgriSearch’s 20th Anniversary.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

‘AgriSearch’ is the trading name for the Northern Ireland Agricultural Research & Development Council, a charitable company, limited by guarantee with no share capital. It is governed by its Memorandum and Articles of Association.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Michael Bell

Fred Allen (appointed 27 April 2015)

James Campbell

Conall Donnelly (appointed 27 April 2015)

John Henning

Henry Jordan

Mervyn King

Ian Marshall

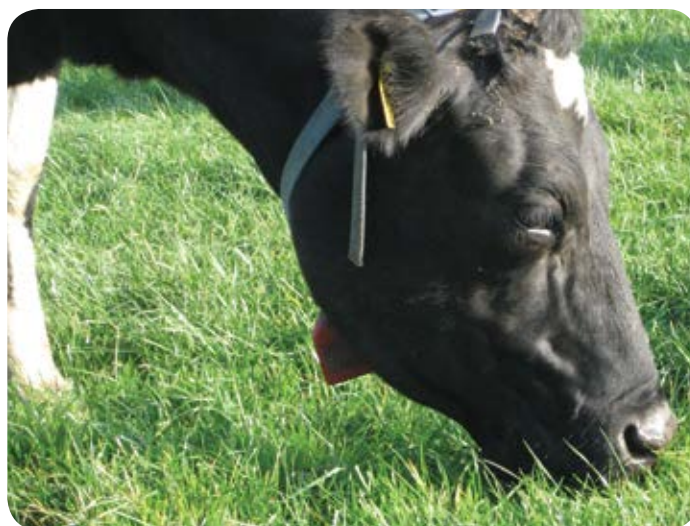
John Martin

Wilbert Mayne

Allister Mitchell

Oisín Murnion

Peter Morrow (appointed 16 November 2015)



## RECRUITMENT AND APPOINTMENT OF TRUSTEES

The Board of Trustees, who are also the Directors of the Charitable Company, are appointed by the Council. The Trustees appoint three Advisory Committees to consider and monitor appropriate research projects. Nominations are received from the Ulster Farmers' Union for three farmer Trustees. On behalf of processors (who are levy collectors) DairyUK and NI Meat Exporters Association (NIMEA) nominate one trustee each.

Three farmer Trustees are recruited independently with the aim of ensuring that relevant differing aspects of farm husbandry are represented as far as possible and that there is widespread representation across Northern Ireland.

Additional independent Trustees are recruited who are not active farmers but have standing within the agricultural community and have experience of a commercial environment.

For the recruitment of the 'independent' Trustees, the posts are advertised in the agricultural press and a local Board recruitment website and a selection process is carried out using pre-determined relevant criteria.

Members of the charity are approved at the AGM following nomination by the Trustees.

During the year the Trustees carried out a skills appraisal exercise to help identify skill gaps in the Board. Further to this exercise, the Board of Trustees has co-opted persons with expertise in communications (Peter Morrow) and finance / accountancy (Seamus McCaffrey). The appointment of Peter Morrow as a member of Council and a trustee was agreed at the 2015 AGM and the appointment of Seamus McCaffrey will be considered by members of the charity at the 2016 Annual General Meeting of the Council.

## INDEMNITY PROVISION FOR TRUSTEES

Every member of the Charity undertakes to contribute such amount as may be required (not exceeding £1) to the Charity's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member; for payment of the Charity's debts and liabilities contracted before he or she ceases to be a member; and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves. Trustees are also covered by a management and corporate liability insurance policy.



## ORGANISATIONAL STRUCTURE

The Board of Trustees meets four or more times per year and each of the Advisory Committees meets when required to review funding and expenditure proposals. The Chairman, Vice-Chairman, Senior Vice-Chairman and the General Manager and Management Accountant (engaged through Countryside Services) meet frequently to review the day to day operation and governance of the organisation.

The three advisory committees are made up of farmer members, independent scientific advisors and representatives of the processing sectors. The Beef and Sheep Advisory Committees also have a representative from the Livestock and Meat Commission for NI. Their role is to identify and evaluate research proposals and recommend projects to the Trustees. Each committee includes one representative of College of Agriculture, Food and Rural Enterprise (CAFRE) in an advisory capacity.

The Trustees review all proposals from advisory committees, taking into account the finances of the organisation and the strategic direction before deciding to approve the recommendations or return them to the relevant committees for further consideration or rejection.

## INDUCTION AND TRAINING OF TRUSTEES

New Trustees are provided with information about the role and about the Council as part of an application 'pack'. Following selection, new Trustees have an induction briefing from the Chairman and General Manager which provides information and guidelines on their tasks and responsibilities together with an outline of the objectives of AgriSearch.

They also receive copies of past Trustee minutes and other corporate documentation.

## REMUNERATION POLICY

A remuneration committee is appointed by the Trustees and meets on annual basis to consider the remuneration of key management. Its recommendations are submitted to the Trustees for approval. The remuneration committee is

currently made up as follows:

Michael Bell (Resigned 11th April 2016)

John Henning (Chairman)

Wilbert Mayne

Allister Mitchell (Appointed 11th April 2016)

A Disciplinary and Grievance Committee has also been established to review the employee handbook and if necessary act as an appeal panel for disciplinary and grievance issues.

The Disciplinary and Grievance Committee is currently made up as follows:

Michael Bell (Resigned 15th February 2016)

Conall Donnelly (Chairman)

Allister Mitchell

Mervyn King (Appointed 15th February 2016)

## RELATIONSHIP WITH RELATED PARTIES

Two Trustees and three members of the AgriSearch Sheep Advisory Committee received payments during the financial year for activity undertaken as "farmer co-researchers", these are detailed on page 40. Farmer coresearchers are appointed on-merit in consultation with the relevant lead scientist and an independent expert.

AgriSearch has a conflict of interest policy and each Trustee and Advisory Committee member is asked to complete a declaration of interests. In addition, declaration of conflicts of interest is a standing item at the top of the agenda for every meeting of Trustees.

The Charity has a close relationship with Animal Health and Welfare Northern Ireland (AHWNI) a not-for-profit company limited by guarantee. AHWNI seeks to benefit livestock producers and processors by providing the knowledge, education and coordination required to establish effective control programmes for non-notifiable diseases of livestock. On behalf of AHWNI, AgriSearch collects levy at the rate of 10 pence per bovine slaughtered in Northern Ireland and also provides contingency funding for AHWNI's BVD eradication programme.



AgriSearch also seeks to work with other levy organisations to share resources and avoid duplication of research and is currently involved in joint funding arrangements for five projects with the Agriculture and Horticulture Development Board (AHDB) a statutory levy board based in Great Britain.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the directors of The Northern Ireland Agricultural Research and Development Council for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have

been followed, subject to any material departures disclosed and explained in the accounts; and

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

## AUDITOR

The auditor, RSM Northern Ireland, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

The Trustees' report was approved by the Board of Trustees.

Mr M Bell  
Chair

Mr J Campbell  
Senior Vice Chair



# INDEPENDENT AUDITOR'S REPORT FOR YEAR ENDED 31ST MARCH 2016

## TO THE MEMBERS OF THE NORTHERN IRELAND AGRICULTURAL RESEARCH AND DEVELOPMENT COUNCIL

We have audited the financial statements of The Northern Ireland Agricultural Research and Development Council for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the charity's trustees, as a body, in accordance with section 65 (2) of the Charities Act (Northern Ireland) 2008 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of The Northern Ireland Agricultural Research and Development Council for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The Trustees have elected for the accounts to be audited in accordance with the Charities Act (Northern Ireland) 2008 rather than the Companies Act 2006. Accordingly we

have been appointed as auditors under section 65 (2) of the Charities Act (Northern Ireland) 2008 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### SCOPE OF THE AUDIT OF THE ACCOUNTS

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## OPINION ON ACCOUNTS.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

DW Gray FCA (Senior Statutory Auditor)  
for and on behalf of RSM Northern Ireland  
Chartered Accountants  
Statutory Auditor  
Number One Lanyon Quay  
Belfast  
BT1 3LG

RSM Northern Ireland is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act (Northern Ireland) 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 accounts; or
- the accounts 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.





# STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
<b>INCOME FROM:</b>			
Donations	3	484,680	521,981
Investments	4	14,644	21,230
<b>TOTAL INCOME</b>		<b>499,324</b>	<b>543,211</b>
<b>EXPENDITURE ON:</b>			
Charitable activities	5	600,133	574,237
Net gains on investments	11	(18,429)	24,854
<b>NET MOVEMENT IN FUNDS</b>		<b>(119,238)</b>	<b>(6,172)</b>
Fund balances at 1 April 2015		396,327	402,499
<b>FUND BALANCES AT 31 MARCH 2016</b>		<b>277,089</b>	<b>396,327</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# BALANCE SHEET

## AS AT 31 MARCH 2016

		2016		2015	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	12		3,614		-
Investments	13		408,753		427,182
			<b>412,367</b>		<b>427,182</b>
<b>CURRENT ASSETS</b>					
Debtors	15	222,297		214,744	
Cash at bank and in hand		445,145		651,236	
		667,442		865,980	
<b>Creditors: amounts falling due within one year</b>	16	(540,980)		(576,912)	
Net current assets			126,462		289,068
<b>Total assets less current liabilities</b>			538,829		716,250
<b>Creditors: amounts falling due after more than one year</b>	17		(261,740)		(319,923)
<b>NET ASSETS</b>			277,089		396,327
<b>Income funds</b>					
Unrestricted funds			277,089		396,327
			<b>277,089</b>		<b>396,327</b>

## **BALANCE SHEET**

### **FOR THE YEAR ENDED 31 MARCH 2016**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2016, although an audit has been carried out under section 65 (2) of the Charities Act (Northern Ireland) 2008. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The Trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 26th September 2016 and signed on their behalf by:

Mr M Bell  
**Chairman**

Mr J Campbell  
**Senior Vice Chairman**

**Company Registration No. NI035855**



# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31 MARCH 2016

		2016		2015	
	Notes	£	£	£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash (absorbed by)/generated from operations	21		(216,912)		73,470
<b>INVESTING ACTIVITIES</b>					
Purchase of tangible fixed assets		(3,823)		-	
Interest received		14,644		21,230	
<b>Net cash generated from investing activities</b>			10,821		21,230
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(206,091)		94,700
Cash and cash equivalents at beginning of year			651,236		556,536
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			<b>445,145</b>		<b>651,236</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2016

### I ACCOUNTING POLICIES

#### COMPANY INFORMATION

The Northern Ireland Agricultural Research and Development Council is a private company limited by guarantee incorporated in Northern Ireland. The registered office is C/o Countryside Services Limited, 97 Moy Road, Dungannon, BT71 7DX.

#### I.1 ACCOUNTING CONVENTION

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The Charity is a Public Benefit Entity as defined by FRS 102.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn. The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 March 2016 are the first accounts of The Northern Ireland Agricultural Research and Development Council prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### I.2 GOING CONCERN

At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

#### 1.3 CHARITABLE FUNDS

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

#### 1.4 INCOMING RESOURCES

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

The levy rates charged to producers are as follows:

- Milk 0.02p per litre
- Beef 40p per head
- Sheep 5p per head

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

#### 1.5 RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants payable to third parties are within charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Expenditure on charitable activities includes costs undertaken to further the purposes of the charity. Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, management charges and governance costs which support the Council's activities. These costs have been allocated to charitable activities.



# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 MARCH 2016

### 1.6 TANGIBLE FIXED ASSETS

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Fixtures and fittings 20% straight line
- Computers 20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

### 1.7 IMPAIRMENT OF FIXED ASSETS

At each reporting end date, the Charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

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#### 1.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 FINANCIAL INSTRUMENTS

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### BASIC FINANCIAL ASSETS

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

#### DERECOGNITION OF FINANCIAL ASSETS

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### BASIC FINANCIAL LIABILITIES

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### DERECOGNITION OF FINANCIAL LIABILITIES

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

#### 1.10 EMPLOYEE BENEFITS

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.



# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 MARCH 2016

### 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 DONATIONS

	2016	2015
	£	£
Donations and gifts	434,927	487,519
DARD Research Challenge Fund Grant Income	49,753	34,462
	<b>484,680</b>	<b>521,981</b>
<b>Donations and gifts</b>		
Milk levy	263,650	320,255
Beef Levy	95,530	105,816
Sheep Levy	23,838	24,963
Sheep - Contribution from Livestock and Meat Commission	20,000	19,956
AHWNI	31,909	16,529
	<b>434,927</b>	<b>487,519</b>

### 4 INVESTMENTS

	2016	2015
	£	£
Income from unlisted investments	14,215	18,632
Interest receivable	429	2,598
	<b>14,644</b>	<b>21,230</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 MARCH 2016

5 CHARITABLE ACTIVITIES	Charitable expenditure	Total	2015
	£	£	£
Staff costs	29,464	29,464	-
Dissemination costs	26,642	26,642	42,800
AHWNI funding	31,908	31,908	16,529
	88,014	88,014	59,329
Grant funding of activities	412,628	412,628	428,948
Share of support costs (see note 7)	92,388	92,388	74,469
Share of governance costs (see note 7)	7,103	7,103	11,491
	600,133	600,133	574,237
<b>Analysis by fund</b>			
Unrestricted funds	600,133	600,133	
	600,133	600,133	
<b>For the year ended 31 March 2015</b>			
Unrestricted funds	574,237	574,237	
	<b>574,237</b>	<b>574,237</b>	

6 GRANTS PAYABLE	2016	2015
	£	£
Grants to institutions (13 grants):		
Opening commitments	871,414	708,519
Agri-Food & Biosciences Institute	396,801	488,458
Animal Health & Welfare Northern Ireland	75,000	-
Abacus Bio	60,000	-
Queen's University Belfast	10,000	-
Moredun Research Institute	786	-
Agriculture and Horticulture Development Board	-	11,358
Increased project in year	4,411	-
Cancelled projects	(128,882)	(82,500)
Paid during the year	(515,179)	(254,421)
<b>Closing commitments</b>	<b>774,351</b>	<b>871,414</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 MARCH 2016

7	SUPPORT COSTS	Support costs	Governance costs	2016	2015	Basis of allocation
		£	£	£	£	
	Staff costs	15,273	-	15,273	-	Charitable activities
	Depreciation	209	-	209	-	Charitable activities
	Rent	4,163	-	4,163	5,000	Charitable activities
	Management charge	36,155	-	36,155	35,420	Charitable activities
	Chairman's honorarium	8,348	-	8,348	6,534	Charitable activities
	VAT	13,034	-	13,034	14,570	Charitable activities
	Printing & postage	3,013	-	3,013	2,727	Charitable activities
	Insurance	1,500	-	1,500	1,274	Charitable activities
	Computer costs	1,090	-	1,090	1,199	Charitable activities
	Website costs	229	-	229	306	Charitable activities
	Travel	4,372	-	4,372	4,243	Charitable activities
	Other	5,002	-	5,002	7,439	Charitable activities
	Audit fees	-	3,750	3,750	2,250	Governance
	Advisory support costs	-	3,353	3,353	4,998	Governance
		<b>92,388</b>	<b>7,103</b>	<b>99,491</b>	<b>85,960</b>	
Analysed between						
	Charitable activities	92,388	7,103	99,491	85,960	

8	NET MOVEMENT IN FUNDS	2016	2015
		£	£
Net movement in funds is stated after charging/(crediting)			
	Fees payable to the company's auditor for the audit of the company's financial statements	3,750	2,250
	Depreciation of owned tangible fixed assets	209	-
	Investment property impairment/(reversal)	18,429	(24,854)



# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 MARCH 2016

### 9 TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration during the year, but the Chairman received an honorarium of £8,348 which included Employers' NIC in the current year (2015: £6,534). Trustees were reimbursed a total of £1,929 travelling expenses (2015- £2,302 ).

### 10 EMPLOYEES

Number of employees	2016	2015
	Number	Number
Field Officer	1	-
Employment costs	2016	2015
	£	£
Wages and salaries	42,954	-
Social security costs	1,783	-
	<b>44,737</b>	<b>-</b>

There were no employees whose annual remuneration was £60,000 or more.

### 11 NET GAINS/(LOSSES) ON INVESTMENTS

	2016	2015
	£	£
Revaluation of investments	(18,429)	24,854

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

12 TANGIBLE FIXED ASSETS	Fixtures and fittings	Computers	Total
	£	£	£
<b>Cost</b>			
At 1 April 2015	-	12,713	12,713
Additions	335	3,488	3,823
<b>At 31 March 2016</b>	<b>335</b>	<b>16,201</b>	<b>16,536</b>
<b>Depreciation and impairment</b>			
At 1 April 2015	-	12,713	12,713
Depreciation charged in the year	16	193	209
<b>At 31 March 2016</b>	<b>16</b>	<b>12,906</b>	<b>12,922</b>
<b>Carrying amount</b>			
<b>At 31 March 2016</b>	<b>319</b>	<b>3,295</b>	<b>3,614</b>
At 31 March 2015	-	-	-
<b>13 FIXED ASSET INVESTMENTS</b>		<b>2016</b>	<b>2015</b>
		£	£
<b>Unlisted investments</b>		<b>408,753</b>	<b>427,182</b>
<b>Fixed asset investments revalued</b>			
Investments are included at revalued amounts with the basis of the valuation being the current market value of the portfolio as at 31 March 2016 being £411,362 of which £2,609 is held as cash. The historical cost of the investment is £350,000. Investments are all in marketable securities and can be liquidated at any time as required.			
<b>MOVEMENTS IN FIXED ASSET INVESTMENTS</b>			<b>Shares</b>
			£
Cost or valuation			
At 31 March 2015			427,182
Valuation changes			(18,429)
At 31 March 2016			408,753
<b>Carrying amount</b>			
At 31 March 2016			408,753
At 31 March 2015			427,182

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 MARCH 2016

<b>14 FINANCIAL INSTRUMENTS</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	157,954	184,417
Equity instruments measured at cost less impairment	408,753	427,182
<b>Carrying amount of financial liabilities</b>		
<b>Measured at amortised cost</b>	<b>800,638</b>	<b>896,835</b>

<b>15 DEBTORS</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	100,991	137,205
Other debtors	56,963	47,212
Prepayments and accrued income	64,343	30,327
	<b>222,297</b>	<b>214,744</b>

<b>16 CREDITORS: amounts falling due within one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	2,082	-
Trade creditors	10,931	11,291
Other creditors	520,492	551,491
Accruals and deferred income	7,475	14,130
	<b>540,980</b>	<b>576,912</b>

<b>17 CREDITORS: amounts falling due after more than one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Other creditors</b>	<b>261,740</b>	<b>319,923</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

#### 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Unrestricted funds	Total
£	£

Fund balances at 31 March 2016 are represented by:

Tangible assets	3,614	3,614
Investments	408,753	408,753
Current assets/(liabilities)	126,462	126,462
Non current liabilities	(261,740)	(261,740)
	<b>277,089</b>	<b>277,089</b>

#### 19 OPERATING LEASE COMMITMENTS

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

2016	2015
£	£

Within one year	688	-
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#### 20 RELATED PARTY TRANSACTIONS

No guarantees have been given or received.

During the year there were members of the AgriSearch advisory committees and Board of Trustees who were involved as farmer co-researchers in projects which AgriSearch co-funded. The advisory committees are in place to review funding and expenditure proposals.

A total amount of £6,713 was paid during the year to the following members of the Sheep Advisory Committee; Samuel Wharry, Seamus Maginn and Crosby Cleland; the Beef Advisory Committee; Sam Chesney along with the following members of the Board of Trustees; John Martin and Allister Mitchell. These members were involved in on farm research and received payments from AgriSearch for the project.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

21 CASH GENERATED FROM OPERATIONS	2016	2015
	£	£
Deficit for the year	(119,238)	(6,172)
Adjustments for:		
Investment income recognised in profit or loss	(14,644)	(21,230)
Fair value gains and losses on investments	18,429	(24,854)
Depreciation and impairment of tangible fixed assets	209	-
Movements in working capital:		
(Increase)/decrease in debtors	(7,553)	14,433
(Decrease)/increase in creditors	(94,115)	111,293
<b>Cash (absorbed by)/generated from operations</b>	<b>(216,912)</b>	<b>73,470</b>

## LIST OF PUBLICATIONS

- 1 SHEEP  
The Effects of Genetics of Lowland Cross-Bred Ewes and Terminal Sires on Lamb Output and Carcass Quality
  - 2 DAIRY  
A Comparison of Four Grassland-Based Systems of Milk Production for Winter Calving High Genetic Merit Dairy Cows
  - 3 DAIRY  
Dairy Herd Fertility - Examination of Effects of Increasing Genetic Merit and other Herd Factors on Reproductive Performance
  - 4 SHEEP  
Developing Low Cost 'Natural-Care' Systems of Sheep Production
  - 5 BEEF  
An Examination of Factors affecting the Cleanliness of Housed Beef Cattle
  - 6 BEEF  
The Effects of Housing System on Performance, Behaviour and Welfare of Beef Cattle
  - 7 DAIRY  
Developing Improved Heifer Rearing Systems
  - 8 BEEF  
The Influence of Suckler Cow Genetics and Terminal Sire on Performance of the Suckler Herd
  - 9 DAIRY/ BEEF  
Reducing Organic Nitrogen Outputs from Dairy Cows and Beef Cattle in Nitrate Vulnerable Zones
  - 10 DAIRY  
The Effect of the Type of Dietary Supplement on the Performance of the Grazing Dairy Cow
  - 11 DAIRY  
Are International Dairy Sire Genetic Evaluations Relevant to Milk Production Systems in Northern Ireland?
  - 12 DAIRY/ BEEF  
Holstein Bull Beef
  - 13 DAIRY  
Effective Footbathing of Dairy Cows
  - 14 DAIRY  
Effects of Feeding Forage Maize and Whole Crop Silages on the Performance of Dairy Cows
  - 15 BEEF  
Maximising Beef Output from the Suckler Herd Through the Production of Heavy Bulls
  - 16 DAIRY  
The Effect of Reducing the Protein Content of the Diet on the Performance of Dairy Cows
  - 17 DAIRY  
Comparison of Dairy Cow Management Strategies which Differ in Labour Inputs
  - 18 DAIRY  
Reducing Phosphorous Levels in Dairy Cow Diets
  - 19 DAIRY  
The Effect of Applying Slurry During the Grazing Season on Dairy Cow Performance
  - 20 BEEF  
Contribution of Meat (Beef and Lamb) from Grass-Fed Ruminants to the Total Human Dietary Intake of Long Chain N-3 Polyunsaturated Fatty Acids.
  - 21 BEEF  
Maximising Returns from Beef Sourced from the Dairy Herd
  - 22 DAIRY  
A Comparison of the Performance of Holstein-Friesian and Norwegian Red cows on Northern Ireland Dairy Farms
  - 23 DAIRY  
The Effect of a Number of Novel Supplementation Strategies on Milk Production and Fertility of High Yielding Dairy Cows
  - 24 DAIRY  
A Comparison of the Performance of Holstein-Friesian and Jersey Crossbred Cows across a Range of Northern Ireland Production Systems
  - 25 DAIRY  
The Effect of Applying Cattle Slurry as the Sole Source of Nutrients over a Four Year Period on the Yield and Persistency of Seven Perennial Forage Crops
  - 26 DAIRY  
Grassland performance and its relationship with profitability on 10 Northern Ireland dairy farms
  - 27 DAIRY  
The Effect of offering concentrates during the dry period on dairy cow performance
  - 28 DAIRY / BEEF  
Prevalence of BVD in Northern Ireland Dairy and Suckler Herds
  - 29 DAIRY  
Developing improved concentrate feeding and grazing strategies for dairy cows
  - 30 DAIRY  
The effect of early lactation concentrate build-up strategies on dairy cow performance
  - 31 DAIRY  
Developments in dairy cow fertility research
  - 32 DAIRY  
A comparison of four intensive grassland based systems of milk production
- Other Publications
- BovIS User Guide (Carcass Benchmarking Application)
  - Diagnosis and Treatment of Lameness in Sheep
  - A comparison of confinement and grazing systems for dairy cows: What does the science say?



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