

Annual Report 2018/19

Driving Excellence
and Innovation



Legal & Administrative Information

Trustees

Mr F Allen
Mr M Bell
(Resigned 25 November 2019)
Mr C Donnelly
Mr C J Henning
Mr J Martin
Mr W Mayne
Mr S McCaffrey
Mr P Morrow
Mr A Wilson
Mrs J E Dobson
(Appointed 17 June 2019)
Mr J M Blair
(Appointed 17 June 2019)
Mr I Marshall
(Resigned 26 November 2018)
Mr O Murnion
(Resigned 26 November 2018)

Secretary

Jason Rankin

Charity number

NIC102341

Company number

NIO35855

Registered office

Innovation Centre
Large Park
Hillsborough
Co Down BT26 6DR

Auditor

Aubrey Campbell & Co.
631 Lisburn Road
Belfast BT9 7GT

Bankers

Ulster Bank Limited
22 Frances Street
Newtownards
County Down BT23 7DP

Danske Bank
Donegal Square West
Belfast BT1 6JS

Solicitors

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

Advisors

Beef Advisory Committee

Graeme Campbell
(Non-voting CAFRE liaison)
Jonathan Carson - *Vice Chairman*
Sam Chesney - *Chairman*
Andrew Clarke
John Egerton
Ray Elkin
Andrew Gardiner
George McAuley
Liam McCarthy
Stuart McLvor
Nigel McLaughlin
John Payne
Emma Russell
William Sherrard
Dr Raymond Steen
Ian Stevenson
James Taylor
Maurice Watson

Dairy Advisory Committee

David Dunlop
Hugh Harbinson
Adrian Houston
Andrew Magowan
Robert Martin
Cathal McAleer
Drew McConnell - *Chairman*
Don Morrow
(Non-voting CAFRE liaison)
Thomas Steele - *Vice Chairman*
David Stewart
Stewart Watson

Sheep Advisory Committee

Edward Adamson - *Vice Chairman*
James Brennan
Graeme Campbell
(Non-voting CAFRE liaison)
Crosby Cleland - *Chairman*
Stuart Cromie
Thomas Gibson
John Harkin
Kenneth Linton
Nigel McLaughlin
Colin Smith
Dr Raymond Steen
Campbell Tweed
David Wallace

Contents

- 03 Chairman's Report
- 04 Projects Commissioned
- 05 General Manager's Report
- 10 Trustees' Annual Report
- 20 Independent Auditor's Report
- 23 Accounts



Chairman's Report



AgriSearch continues to deliver for the ruminant livestock sector in Northern Ireland working to improve efficiency, innovation and profitability on farms. It is a great privilege to lead the board of Trustees and play a part in making our levy income work for farmers - £455k in the past year which helped commission a total research spend of over £21m - Great value for money!

AgriSearch is a local organisation established by farmers for farmers and we are conscious of our responsibility to manage the finances wisely and maximise research 'value' from the farmers levy that we spend. Key to this success is using the multi-actor approach and our ability to work with many partners including AFBI, AHDB, CIEL, DAERA, IGFS, and others to deliver for the ruminant livestock sector.

In 2019 we celebrated another anniversary as our flagship, and very successful, GrassCheck project achieved twenty years delivering for grassland farmers here and it was therefore appropriate to see a new GrassCheck initiative getting underway in Great Britain during the year.

Knowledge exchange remains a key focus as we endeavour to communicate our research findings to farmers and industry via GrassCheck bulletins, booklets, social media, agricultural events and our farm walks. We continue to explore new communication channels in order to maximise our reach and improve research uptake and implementation.

Farming and food continue to face challenging times so scientific evidence from research will be increasingly important to counter some of the misinformation and myths about beef, dairy and sheep farming.

Thanks to my fellow Trustees, our Advisory Committee members and importantly our staff for all their hard work to make sure the organisation delivers the maximum return from our limited resources. Michael Bell completed his term as Chair in March 2019 after two years at the helm and we are grateful to him for his guidance and oversight leadership during that time.

I will continue to work with the Trustees and staff to keep farmers at the centre of what we do and ensure we maximise our knowledge exchange so that the positive messages from our research get utilised on farm to improve the efficiency, profitability and sustainability of the ruminant livestock sector in Northern Ireland.

Farming and food continue to face challenging times so scientific evidence from research will be increasingly important...

Projects Commissioned by AgriSearch
between 1st April 2018 and 31st March 2019

Commissioned projects

Improving the efficiency within feed-to-yield concentrate feeding systems for dairy cows: understanding drivers of performance, milk quality, cow fertility and health

Improving the efficiency and sustainability of milk production systems through the production and utilisation of high-quality grass silage

Evaluation of ammonia emissions from livestock enterprises

Opti-House - Innovate calf housing and environment management to promote animal health welfare and performance

SUPER-G: Developing sustainable permanent grassland systems and policies

Investigating the effect frequency of fresh pasture allocation has on the individual performance of lactating dairy cattle

An evaluation of rumen temperature as proxy for the indication of key stages in the lifecycle of breeding beef animals

Feed into Beef (Industry Group Advisory Group Subscription)

Jason Rankin
General Manager, AgriSearch

General Manager's Report



RESEARCH FUNDING STREAMS

Our levy income on its own would fund very little research. The total AgriSearch levy income in 2018/19 was £455,754 (up 6.5% from the previous year) and it is not uncommon for research projects to cost well in excess of a million pounds. It is therefore essential that we leverage as much external funding as possible.

External research funding calls can be irregular in nature with more or fewer being open / decided upon in any one financial year. After a relatively quiet year in 2016/17 the 2017/18 financial year saw a considerable increase in the number of research calls being open for funding and AgriSearch took full advantage of this and was successful in obtaining funding through a wide range of sources. Some of these projects were only finally commissioned during the 2018/19 year. More recently the number of research calls has fallen with both DAERA's Research Challenge Fund and the Agri-Food Quest Competence centre not being open for new applications.

DAERA's Evidence and Innovation Strategy has been a valuable source of research funding. Three Evidence and Innovation projects supported by AgriSearch were commissioned during the year. However, more recently we have been concerned at the lack of "innovation" projects funded by DAERA and the lengthy timelines from submission of funding proposals to research being commissioned which recently has been as long as twelve months.

During the year AgriSearch commissioned 12 projects totalling £370,084 on the basis that complimentary funding in the region of £21,235,064 would be sought from the EU, Department of Agriculture, Environment and Rural Affairs and other sources. I would like to acknowledge the help and assistance of our academic partners without whose assistance this would not have been possible. This now brings the total value of research commissioned by / participated in by AgriSearch to over £58M.

PROJECTS COMMENCED

Improving the efficiency within feed-to-yeild concentrate feeding systems for dairy cows: understanding drivers of performance, milk quality, cow fertility and health.

This DAERA Research Challenge Fund Project is led by AgriSearch with AFBI as Research Partner.

The overall objective of this project is to examine factors which affect performance of individual cows (milk yield and milk composition, especially milk fat depression, and cow fertility/health) within feed-to-yeild systems. Specifically, the project will focus on the role of silage quality, concentrate composition, concentrate intake, feeding assumptions adopted, and cow genetics, and it is anticipated that the outcomes will lead to improved advice on the management of feed-to-yeild systems. This will include identifying how these factors contribute to overall economic performance at a herd level.

...AgriSearch commissioned 12 projects totalling £370,084 on the basis that complimentary funding in the region of £21,235,064 would be sought from the EU, Department of Agriculture, Environment and Rural Affairs and other sources.



Improving the efficiency and sustainability of milk production systems through the production and utilisation of high-quality grass silage

This is the first significant research project conducted at AFBI in over a decade to focus specifically on improving the quality of grass silage. The overall objective of this project is to conduct a targeted series of research studies which will address knowledge gaps related to the production and utilisation of high-quality grass silage in dairy cow diets. This will be achieved through desk-based exercises, grass plot and ensilage studies, and dairy cow feeding studies, thus achieving a holistic approach to the research programme.

Evaluation of ammonia emissions from livestock enterprises

The aim of this project is to increase the scientific robustness of ammonia emission factors and investigate mitigation strategies to reduce ammonia emissions for the livestock sectors in Northern Ireland. While in measuring ammonia emissions from manure management of livestock production, we will also measure effects of different feeding and management factors on greenhouse gases (CO₂, CH₄ and N₂O) emissions from manure storage. Such information is important for providing the baseline environmental footprint associated

with livestock production in Northern Ireland.

Opti-House – Innovate calf housing and environment management to promote animal health welfare and performance

The project is co-funded by DAERA (E&I) and is looking at the subject of calf housing. This will include blueprints for new calf housing as well as fixes for existing calf housing. The project is led by Steven Morrison (AFBI) and will also involve renowned agricultural buildings expert Jamie Robertson.

SUPER-G: Developing sustainable permanent grassland systems and policies

This major Horizon 2020 project involves 20 partners from 14 countries and has a total budget of €10M over 5 years. Between AgriSearch and AFBI almost €1M is being spent in Northern Ireland. The main objective is to develop integrated approaches for permanent grassland management that are cost-effective, environmentally sound and easily manageable. The project will:

- Define systems
- Benchmark
- Provide decision-support tools for farmers, advisors and policy makers
- Influence policy

Nicola Annett was recruited in August 2018 to work exclusively on this project, AgriSearch and AFBI jointly hosted the first Super-G stakeholder meeting and the second consortium meeting in Belfast in December 2018.

Investigating the effect frequency of fresh pasture allocation has on the individual performance of lactating dairy cattle

The aim of this study is to investigate the potential of pre-mowing as a technique to improve grass utilisation in dairy grazing systems.

In recent years, pre-mowing has gained interest with farmers as a management technique with the perceived benefits of both improve sward utilisation and maintain grass DMI of grazing dairy cows. Pre-mowing, which involves the cutting of pasture usually 12-24 hours before grazing and the grass grazed in situ, has been conducted on commercial farms in a range of management situations. These include: pre-mowing all fields prior to grazing, pre-mowing alternate rotations, and pre-mowing grass fields of high herbage mass or poor grass quality. Despite this, there has been little research conducted to date on the area of pre-mowing, and where research is present, conflicting results exist. Hence further research is needed.

In addition, the majority of research on pre-mowing to date has been



completed with cows receiving little or no supplementation at pasture, potentially reducing the impact of pre-mowing strategies. Further work needs to be completed to investigate the role of pre-mowing in higher yielding cows receiving moderate levels of supplementation, and where motivation to graze is potentially suppressed or post-grazing residual targets are higher.

This project investigated the effect of frequency of fresh pasture allocation on individual animal performance and herbage utilisation in dairy cattle. It was carried out as part of a PhD studentship by Jessica Pollock.

It was conducted using the dairy research herd at AFBI, Hillsborough utilising the resources on the Precision Grassland Platform, part of the Centre of Innovation Excellence in Livestock. Dairy cows were split into three balanced groups taking account of; parity, genetic merit, calving date, current pregnancy status, milk yield and live weight. These three groups were allocated fresh pasture on a 12 hour, 24 hour and 36 hour basis. The project ran from April to August 2018, collecting multiple grass and animal measurements including grass quality and quantity, milk yield and quality, grazing behaviour, cow activity, body condition score, body weight, locomotion and individual animal dry matter intake (through the n-alkane technique).

An evaluation of rumen temperature as proxy for the indication of key stages in the lifecycle of breeding beef animals.

Rumen temperature boluses have been successfully used in dairy herds throughout the world as a proxy for identification of key occasions (oestrus detection, onset of parturition etc) and ill health. Commercial companies are now marketing such precision technologies with the following perceived benefits for dairy industry:

- Automatic Health Alerts - 24/7 Health monitoring with alerts delivered how you want them.
- Control illness and disease with early detection - Diagnose illness earlier when treatment can be most effective.
- Reduce treatment cost and somatic cell counts - Stamp out illness early without repeat occurrences
- Increased pregnancy rates - Healthy cows breed back faster.
- Increased production - Keep your cows energy focused on producing milk vs fighting off illness.
- Reduced mortality rates - Catch illness before it's too late.

CIEL have procured 200 rumen temperature boluses with associated readers for AFBI to use within the suckler beef herd over the next 5 years. AFBI have also procured a number of precision

technologies (pedometers, calving detectors, heat detectors etc) which are available for use within the herd. As such, the collection and testing of these precision technologies can be aligned with rumen temperature to establish whether temperature could be used as a proxy for either ill health or detection of key occasions during the lifecycle of a beef cow.

AgriSearch is providing financial support to cover the AFBI labour costs associated with data collection, statistical analysis and report preparation for this project.

Feed into Beef (Industry Group Advisory Group Subscription)

This project aims to deliver a much-needed update to the beef nutrition and feeding standards for beef cattle in the UK. Scientists at AFBI and SRUC will lead the development work that adds new features while updating models used and feed characteristics.

AgriSearch has subscribed to the Industry Advisory Group (IAG) that will have access to the scientists working on the developments and which will provide feedback to the developers in relation to the type and format of outputs needed by industry. This project is largely funded by AHDB but contributions from industry are being used to increase scope of the developments that can be targeted.



BEEF FROM GRASS & LAMB FROM GRASS

AgriSearch provided additional funding to keep the beef and sheep elements of the GrassCheck project operational during 2019.

CENTRE FOR INNOVATION EXCELLENCE IN LIVESTOCK

AgriSearch continued its involvement with the Centre for Innovation Excellence in Livestock (CIEL) and has developed a good working relationship with the staff in the centre. AgriSearch was a founder member of the Industry Advisory Group which has been established to help support the CIEL led and AHDB funded “Feed into Beef Nutrition” Project which is aiming to develop improved nutritional guidelines for beef sector.

CIEL has also launched GrassCheck GB during the year in conjunction with AHDB, AFBI and Rothamstead.

AGRI-FOOD QUEST COMPETENCE CENTRE

AgriSearch has continued its involvement in the Agri-Food Quest Competence Centre. Agri-Food Quest is a membership-based, industry-led Innovation Centre for agri-food businesses in Northern Ireland. The centre is focused on increasing the level of collaborative research activity to support industry growth.

EURODAIRY

Throughout the year AgriSearch has continued its participation in the EuroDairy project. AgriSearch hosted the penultimate consortium meeting of the project in Belfast in June 2018. The project concluded in January 2019 with a wrap up conference in Brussels. Both EuroDairy pilot farmer Brian McCracken and I spoke at this event. I would like to acknowledge the assistance of Jason McFerran at CAFRE throughout the course of this project as well as the four pilot farmers: Drew McConnell, Thomas Steele, Brian McCracken and Reggie & Trevor Alcorn.

KNOWLEDGE EXCHANGE

AgriSearch hosted a RamCompare farm walk at AFBI Loughgall. Around 200 farmers turned up to hear a wide variety of speakers from AgriSearch, AFBI, AHDB and Dunbia.

The flagship KE event of the year was the AFBI Hillsborough Dairy Open Day on 6th June with around 800 people in attendance. In addition to a stand in the exhibition area AgriSearch also led the exhibit on GrassCheck.

A series of six dairy, beef and sheep farm walks were held in August and September in conjunction with AFBI on the farms of GrassCheck pilot farmers in Stewartstown, Limavady, Sandholes, Downpatrick, Castlederg and Greyabbey. Over 500 farmers attended these walks.

In addition, AgriSearch engaged with farmers through its trade stands at the Royal Ulster Winter Fair and the RUAS Beef & Lamb Championships.

A best practice guide to zero grazing was launched at the Winter Fair.

LOOKING FORWARD

With so many successful funding applications made during the 2017/18 financial year (with some of these then commissioned in 2018/19) our emphasis has switched to the successful management of our large portfolio of projects. Nevertheless, research is a pipeline and the timescales involved from the first idea for a project, through building a consortium, funding applications, commissioning, launch, operation and write up / dissemination can take many years. At the present time there are fewer opportunities for funding large scale production-based projects. The most recent DAERA Evidence and Innovation call is primarily made up of shorter-term scoping studies rather than the longer-term production studies that we prefer. AgriSearch has long stated its preference for a longer-term programme and platform-based approach to research commissioning which should be focused on long-term “grand challenges”. Having a greater number of smaller projects reduces impact and created



additional administration for AFBI, DAERA and AgriSearch. We recently submitted a response to the DAERA Science Strategy Framework consultation outlining our concerns.

ACKNOWLEDGEMENTS

I would like to thank the Trustees and members of the advisory committees for their invaluable commitment to AgriSearch. AgriSearch works with a wide variety of industry partners and I would particularly like to acknowledge Dunbia, AHDB, Sheep Ireland, AHWNI, LMC and Farm Vet Systems for their participation in new research projects.

CAFRE continue to assist with knowledge exchange through farm walks and with the distribution of printed material to farmers. They also continue to cut plots for the GrassCheck programme and their assistance has been invaluable with the EuroDairy project.

I would particularly like to acknowledge the ongoing support of Nigel Scollan, Ann McMahon and Stephane Durand at Queen's and Debbie McConnell, Francis Lively, Steven Morrison and Conrad Ferris at AFBI.

A special mention must go to our growing network of pilot farmers and farmer co-researchers who play an increasingly important role in so many of our projects.

Last but by no means least I would like to acknowledge the enormous contribution our three staff members Elizabeth Earle, Denise Aiken and Nicola Annett have made to the organisation. Each of them has shown diligence and initiative which has made my job much easier.

CONCLUSION

The pace of change in the ruminant livestock sector continues to accelerate. The ruminant livestock sector is coming under unprecedented pressure, particularly with regard to the

environment. Yet agriculture has great potential to deliver a wide variety of eco-systems services (e.g. carbon sequestration) to meet these challenges. In these changing and challenging times the role of research, development and innovation has never been so important. AgriSearch has adapted and grown to meet these challenges. However, we are still a small organisation. It is only by working collaboratively with our research partners, our enthusiastic and growing team of farmer co-researchers, the wider agri-food industry and government that we can hope to achieve our aim – to make the Northern Ireland ruminant livestock sector more competitive, profitable and sustainable.



Trustees' Annual Report

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 3 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)".



STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of governing document and how charity is constituted

'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.

Methods to recruit and appoint new 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.

While nominations for Trustees are received from the Ulster Farmers’ Union, DairyUK and NIMEA the final decision as to who to appoint is at the discretion of the members of the charity.

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 and how charity makes decisions

The Board of Trustees meets at least four 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.

The advisory committees are made up as follows (as of 31st March 2019):

Beef Advisory Committee

- Graeme Campbell
(Non-voting CAFRE liaison)
- Jonathan Carson – *Vice Chairman*
- Sam Chesney – *Chairman*
- Andrew Clarke
- John Egerton
- Ray Elkin
- Andrew Gardiner
- George McAuley
- Liam McCarthy
- Stuart Mclvor
- Nigel McLaughlin
- John Payne
- Emma Russell
- William Sherrard
- Dr Raymond Steen
- Ian Stevenson
- James Taylor
- Maurice Watson

Dairy Advisory Committee

- David Dunlop
- Hugh Harbinson
- Adrian Houston
- Andrew Magowan
- Robert Martin
- Don Morrow
(Non-voting CAFRE liaison)
- Cathal McAleer
- Drew McConnell – *Chairman*
- Thomas Steele – *Vice Chairman*

Trustees' Annual Report (Incorporating the Director's Report) for the year ended 31 March 2019



David Stewart
Stewart Watson

Sheep Advisory Committee

Edward Adamson - *Vice Chairman*
James Brennan
Graeme Campbell
(*Non-voting CAFRE liaison*)
Crosby Cleland - *Chairman*
Stuart Cromie
Thomas Gibson
John Harkin
Kenneth Linton
Nigel McLaughlin
Colin Smith
Dr Raymond Steen
Campbell Tweed
David Wallace

How decisions are made

Decisions are taken by the Board of Trustees which meets at least four times a year. Meeting papers which include an agenda, minutes of the previous meeting, General Manager's report, financial statements and details of any project proposals being considered for funding are circulated in advance of the meeting.

Policies and procedures for 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.

Arrangements for setting pay and remuneration of key management

A remuneration committee is appointed by the Trustees and meets on an 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:

Wilbert Mayne (*Chairman*)
Seamus McCaffrey
Andrew Wilson
(*appointed 30th April 2018*)



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:

Conall Donnelly (*Chairman*)
Peter Morrow
John Martin

Relationships with related parties and other charities/organisations with which it co-ordinates in the pursuit of its charitable objectives

Seven members of the AgriSearch Beef Advisory Committee, four members of the AgriSearch Dairy Advisory Committee and one member of the AgriSearch Sheep Advisory Committee received payments during the financial year for activity undertaken as "farmer co-researchers", these are detailed on page 35 under Related Party Transactions. Farmer co-researchers are appointed on-merit in consultation with the relevant lead scientist.

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 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 three projects with the Agricultural and Horticultural Development Board (AHDB) a statutory levy board.



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 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 or measures 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).

Statement of compliance with Charity Commission guidance

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

Significant activities undertaken

Main objectives for the year and strategies for achieving them

- To manage in conjunction with our research partners a comprehensive suite of research projects to ensure they meet the needs of the Northern Ireland ruminant livestock sector.
- To maximise 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.

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/Health
- 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 and more recently the InvestNI funded Agri-Food Quest Competence Centre. AgriSearch has also obtained funding from the European Union under the Horizon 2020 programme.

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.

The trustees confirm that they have had due regard for the guidance produced on public benefit by the Charity Commission for Northern Ireland and are pleased to report that during the period the charitable company has continued to provide public benefits through the programmes and services we offer.





STRATEGIC REPORT

The following sections for achievements and performance and financial review form the strategic report of the charity.

ACHIEVEMENTS AND PERFORMANCE

Summary of main achievements

- Commissioned 6 new research projects
- 30 farmer co-researchers were recruited
- Website continuously updated along with use of social media
- 2 dairy, 2 beef and 2 sheep GrassCheck farm walks held during the year in conjunction with AFBI
- Partnered in a major Dairy Open Day at Large Park, Hillsborough
- Held a RamCompare farm walk in conjunction with AFBI and AHDB
- Recruited a Project Officer to assist with the new Super-G Horizon 2020 project
- Hosted 30 delegates from across Europe at the EuroDairy consortium meeting in Belfast
- Joined CIEL led Feed into Beef Industry Advisory Group
- Hosted over 50 delegates from across Europe to the Super-G stakeholder and consortium meetings in Belfast

- Published a Zero-Grazing best practice guide
- Used trade stands at the Royal Ulster Premier Beef and Lamb event and the Royal Ulster Winter Fair to disseminate research results to farmers
- Initiated a review of the operation and composition of AgriSearch's sectoral advisory committees.

Investment performance against objectives

Cash flow and reallocation of funds between accounts has been managed to maximise the limited returns available on deposit accounts. The Danske Bank (Davy) managed portfolio has returned satisfactory performance with an average return of 6.79% since its launch and a return of (-3.02)% this year. The St. James's Place managed portfolio has also returned satisfactory performance with a return of 3.7% since launch and a return of 2.29% this year. The Trustees have reviewed the portfolio and returns and are satisfied with the management of risk and investment income.

Balanced picture of charity's progress against objectives

AgriSearch continues to be successful at leveraging a significant amount of funding from government and other sources. Knowledge exchange is a key component of our work. Over the course of the year we have run eight successful knowledge exchange events and have significantly increased traffic to the AgriSearch website and social media. Nevertheless, we recognise that more progress needs to be made in this area and going forward intend to commit more resources to knowledge exchange.

Key performance indicators explaining outputs achieved by 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.



Significant positive and negative factors that affected the achievement of objectives and how future plans affected

Given the relatively small amount of levy income the commissioning of research projects is dependent on the availability of leveraged funding. Funding competitions for such projects do not follow a regular cycle. During the 2017/18 financial year there were a considerable number of funding competitions open which is why the amount of funding committed has significantly increased. As a result of fewer funding calls being open during 2018/19 and as staff and financial resources were already well committed, fewer projects were commissioned during the 2018/19 year.

FINANCIAL REVIEW

Review of financial position at the end of the reporting period

The statement of financial activities for the year is set out on page 20 of this report. The net movement in funds for the financial year is net resources received of £188,273 (2018: net resources expended of £306,842). During the year AgriSearch agreed to fund 12 projects totalling £370,084 on the basis that complementary funding in the region of £21,235,064 would be sought from the EU, Department of Agriculture, Environment and Rural Affairs 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 £58m, with the input from AgriSearch amounting to £8.3M.

Significant events that affected financial performance and financial position during the period

Events during the year did not give rise to any material financial impact.

The Trustees monitor financial performance on a regular basis and take a low risk stance on finance. It is the Trustees' policy to achieve the best financial return on longer term funds with a prudent investing attitude whilst ensuring that sufficient funds are available to meet the operational expenditure of the organisation. Funds invested can be accessed at short notice. Financial risk is considered as part of the Trustees' ongoing assessment of its operating environment and a risk register is maintained.

The organisation is largely dependent on a revenue stream from voluntary levies paid by farmers and agri-food processors. The risk to future financial performance based on this is regularly considered and assessed. Budgets are set for each financial year in light of this. At the end of the financial year, there are no events or circumstances which would significantly impact the organisation's future financial performance.

INVESTMENT POLICY AND OBJECTIVES

The investment policy is low risk. During the 2018-19 financial year the majority of funds were held in deposits across a number of institutions as agreed by the Trustees. A portion of funds which are not required in the short term continue to be invested within investment portfolios managed by Danske Bank (Davy) & St. James's Place. All funds are accessible at less than one week's notice.

Principal sources of income and how expenditure meets objectives

Principal funding sources are terms-of-trade levies collected on a voluntary basis by Northern Ireland processors of dairy, beef and sheep.

Reserves policy (including amount of reserves and why held, restricted funds, designated funds, free reserves against reserves policy)

The Trustees have established a policy whereby the company's 'Free' reserves, being funds not committed to third parties for research should represent at least 12 months management and administration costs. At this level, the Trustees are of the view that the company would be able to continue its activities in the event of a significant drop in funding. The level of reserves held at the year ended 31 March 2019 is £340,255. In addition, in order

to ensure continuity of operations, further reserves are held for the ongoing commissioning of research. AgriSearch works with other stakeholders to ensure maximum leverage of funds. Reserves held can vary depending on the timing of decisions made by co-funders. The Trustees consider that the present level of reserves adequately meets these combined objectives.

Risk factors

The Trustees are responsible for ensuring effective risk management, and that internal controls are in place to appropriately manage the risk exposure of AgriSearch. In September 2015, the Trustees completed a comprehensive review of AgriSearch's risk management strategy. In the course of this review the Board considered:

- the major risks to which AgriSearch is exposed;
- the potential impact and probability associated with each risk;
- existing internal controls and accountability for them;
- mitigating actions needed to reduce each risk to a level that the Trustees considered to be acceptable.

In light of the considerable changes that have occurred within the last number of years, a completely new and more detailed risk register was drawn up. This will continue to be formally reviewed by the Trustees every year and is regularly monitored by the Office Bearers' Committee.

The major financial risks are each subject to ongoing monitoring and management. AgriSearch investments are regularly reviewed by the Office Bearers. Income and cost control are subject to detailed review and challenge on at least a bimonthly basis. An annual budget for non-project related expenditure for the forthcoming year is placed before the Trustees for approval before the start of each financial year. During the year a Financial Control Document was drawn up and adopted by the Trustees and is kept under regular review.

AgriSearch is reliant on the co-operation of dairy and red meat processors to collect producer levies on its behalf. There have been continuing difficulties around the collection of dairy levy which resulted in a significant fall in dairy levy income for the 2015-16 financial year. AgriSearch has been actively addressing these issues in conjunction with other industry stakeholders and as a result dairy income has since improved.

PLANS FOR FUTURE PERIODS

- To continue our involvement in Super-G a new Horizon 2020 Project on Permanent Grassland
- To participate in the building of further networks and consortia to pool resources, avoid the duplication of research and draw down external funding
- To continue our membership of and involvement in the Centre for Innovation Excellence in Livestock
- To hold further on-farm events in collaboration with AFBI and CAFRE
- To seek to collaborate (where appropriate) with local industry in projects co-funded through the Agri-Food Quest Competence Centre
- To increase the reach of our knowledge transfer programme through further on-farm events, seminars and increasing traffic to the website and social media
- To further develop our communications and knowledge transfer strategy
- To engage with DAERA to ensure a high priority is given to research and knowledge transfer and ensure co-ordination of research and knowledge transfer activities and maximise synergies
- Recruit new members to the sectoral advisory committees and continue the progress of reform of these committees



TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting 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 financial statements;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 25 November 2019 and signed on behalf of the board of trustees by:

Mr C J Henning
Trustee

Mr S McCaffrey
Trustee

Independent Auditor's Report

OPINION ON FINANCIAL STATEMENTS

We have audited the financial statements of The Northern Ireland Agricultural Research and Development Council T/A Agrisearch (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act (Northern Ireland) 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities

for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any

identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act (Northern Ireland) 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions

of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial

Independent Auditor's Report to the Members of The
Northern Ireland Agricultural Research and Development
Council T/A Agrisearch for the year ended 31 March 2019

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

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



Aubrey Campbell
(Senior Statutory Auditor)
For and on behalf of Aubrey
Campbell Accountants Limited
Chartered Accountants
and Statutory Auditor

631 Lisburn Road, Belfast,
N. Ireland BT9 7GT.

25 November 2019

Statement of Financial Activities
including Income and Expenditure Account
for the year ended 31 March 2019

Financial Accounts 2018/19

| FINANCIAL ACTIVITIES | Notes | 2019 | | 2018 |
|---|-------|-------------------------|------------------|------------------|
| | | Unrestricted Funds £ | Total Funds £ | Total Funds £ |
| Income and endowments | | | | |
| Donations and legacies | 5 | 625,179 | 625,179 | 546,716 |
| Investment income | 6 | 22,380 | 22,380 | 18,706 |
| Total income | | <u>647,559</u> | <u>647,559</u> | <u>565,422</u> |
| Expenditure | | | | |
| Expenditure on charitable activities | 7,9 | 462,295 | 462,295 | 854,190 |
| Total expenditure | | <u>462,295</u> | <u>462,295</u> | <u>854,190</u> |
| Net gains on investments | 11 | (3,009) | (3,009) | 18,074 |
| Net income/(expenditure) and net movement in funds | | <u>188,273</u> | <u>188,273</u> | <u>(306,842)</u> |
| Reconciliation of funds | | | | |
| Total funds brought forward | | 151,982 | 151,982 | 458,824 |
| Total funds carried forward | | <u>340,255</u> | <u>340,255</u> | <u>151,982</u> |

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 26 to 36 form part of these financial statements.

Statement of Financial Position
for the year ended 31 March 2019

| FINANCIAL POSITION | Notes | 2019 £ | 2018 £ |
|--|-------|----------------|-----------------|
| Fixed assets | | | |
| Tangible fixed assets | 16 | 4,142 | 4,547 |
| Investments | 17 | 648,129 | 655,971 |
| | | <u>652,271</u> | <u>660,518</u> |
| Current assets | | | |
| Debtors | 18 | 344,596 | 297,058 |
| Cash at bank and in hand | | 249,811 | 299,206 |
| | | <u>594,407</u> | <u>596,264</u> |
| Creditors: amounts falling due within one year | 19 | <u>580,618</u> | <u>623,525</u> |
| Net current assets | | <u>13,789</u> | <u>(27,261)</u> |
| Total assets less current liabilities | | 666,060 | 633,257 |
| Creditors: amounts falling due after more than one year | 20 | <u>325,805</u> | <u>481,275</u> |
| Net assets | | <u>340,255</u> | <u>151,982</u> |
| Funds of the charity | | | |
| Unrestricted funds | | <u>340,255</u> | <u>151,982</u> |
| Total charity funds | 22 | <u>340,255</u> | <u>151,982</u> |

These financial statements were approved by the board of trustees and authorised for issue on 25 November 2019, and are signed on behalf of the board by:



Mr C J Henning
Trustee



Mr S McCaffrey
Trustee

The notes on pages 26 to 36 form part of these financial statements.

Statement of Cash Flows for the
year ended 31 March 2019

| CASH FLOWS | 2019 | 2018 |
|---|-----------|-----------|
| | £ | £ |
| Cash flows from operating activities | | |
| Net income/(expenditure) | 188,273 | (306,842) |
| <i>Adjustments for:</i> | | |
| Depreciation of tangible fixed assets | 1,543 | 1,225 |
| Net gains/(losses) on investments | (3,009) | 18,074 |
| Dividends, interest and rents from investments | (21,629) | (18,658) |
| Other interest receivable and similar income | (751) | (48) |
| Accrued expenses/(income) | 112,389 | (3,401) |
| <i>Changes in:</i> | | |
| Trade and other debtors | (47,538) | 12,979 |
| Trade and other creditors | (310,766) | 441,493 |
| Cash generated from operations | (81,488) | 144,822 |
| Interest received | 751 | 48 |
| Net cash (used in)/from operating activities | (80,737) | 144,870 |
| Cash flows from investing activities | | |
| Dividends, interest and rents from investments | 21,629 | 18,658 |
| Purchase of tangible assets | (1,138) | (2,923) |
| Purchases of other investments | (78,183) | - |
| Proceeds from sale of other investments | 89,034 | - |
| Net cash from investing activities | 31,342 | 15,735 |
| Net (decrease)/increase in cash and cash equivalents | (49,395) | 160,605 |
| Cash and cash equivalents at beginning of year | 299,206 | 138,601 |
| Cash and cash equivalents at end of year | 249,811 | 299,206 |

The notes on pages 26 to 36 form part of these financial statements.

1 GENERAL INFORMATION

The charity is a public benefit entity and a private company limited by guarantee, registered in Northern Ireland and a registered charity in Northern Ireland. The address of the registered office is Innovation Centre, Large Park, Hillsborough, Co. Down, BT26 6DR, Northern Ireland.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

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.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

Incoming 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 the producers are as follows:

Milk 0.02p per litre

Beef 40p per head

Sheep 5p per head

Levy rates have not changed since 2014.

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.

Resources expended

All expenditure is accounted for on an accrual 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.

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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings – 20% straight line

IT Equipment – 20% straight line.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Changes in fair value are recognised in net income/ (expenditure) for the year. Transaction costs are expensed as incurred.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income

and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

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.

4 LIMITED BY GUARANTEE

The company, being a company limited by guarantee, does not have share capital. The liability of members of the company is limited to £1 per member.

| 5 DONATIONS AND LEGACIES | Unrestricted Funds £ | Total Funds 2019 £ | Unrestricted Funds £ | Total Funds 2018 £ |
|---|-------------------------|--------------------------|-------------------------|--------------------------|
| Donations | | | | |
| Donations and gifts | 501,852 | 501,852 | 493,498 | 493,498 |
| Grants | | | | |
| Grants receivable | 123,327 | 123,327 | 53,218 | 53,218 |
| | <u>625,179</u> | <u>625,179</u> | <u>546,716</u> | <u>546,716</u> |
| | | | 2019 £ | 2018 £ |
| Donations and Gifts | | | | |
| Milk Levy | | | 316,180 | 286,887 |
| Beef Levy | | | 120,260 | 122,386 |
| Sheep Levy | | | 19,134 | 18,615 |
| Sheep – Contribution from Livestock and Meat Commission | | | 15,000 | 20,000 |
| AHWNI | | | 31,278 | 45,610 |
| | | | <u>501,852</u> | <u>493,498</u> |
| Grants for Core Activities | | | | |
| DAERA Research Challenge Fund | | | 47,596 | 53,218 |
| EU Horizon 2020 | | | 75,731 | - |
| | | | <u>123,327</u> | <u>53,218</u> |

Agrisearch collects funds for AHWNI which are then paid across to AHWNI. These funds have been included with income and expenditure in the financial statements.

| 6 INVESTMENT INCOME | Unrestricted Funds £ | Total Funds 2019 £ | Unrestricted Funds £ | Total Funds 2018 £ |
|-------------------------------|-------------------------|--------------------------|-------------------------|--------------------------|
| Income from other investments | 21,629 | 21,629 | 18,658 | 18,658 |
| Other interest receivable | 751 | 751 | 48 | 48 |
| | <u>22,380</u> | <u>22,380</u> | <u>18,706</u> | <u>18,706</u> |

| 7 EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE | Unrestricted Funds £ | Total Funds 2019 £ | Unrestricted Funds £ | Total Funds 2018 £ |
|--|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Research and development in the agricultural industry | 379,487 | 379,487 | 771,143 | 771,143 |
| Support costs | 82,808 | 82,808 | 83,047 | 83,047 |
| | <u>462,295</u> | <u>462,295</u> | <u>854,190</u> | <u>854,190</u> |
| | | | 2019 £ | 2018 £ |
| Staff costs | | | 67,936 | 31,578 |
| Dissemination costs | | | 38,828 | 31,573 |
| AHWNl funding | | | 37,900 | 54,899 |
| | | | <u>144,664</u> | <u>118,050</u> |
| Grant funding activities | | | 234,823 | 653,093 |
| Share of support costs | | | 68,507 | 71,580 |
| Share of governance costs | | | 14,301 | 11,467 |
| Unrestricted fund | | | <u>462,295</u> | <u>854,190</u> |

| 8 RECONCILIATION OF PROJECT COMMITMENTS | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| Grants to institutions | | |
| Opening commitments | 1,074,496 | 646,178 |
| Agri-Food & Biosciences Institute | 370,084 | 631,896 |
| (Decreased)/Increased project in year | (231,424) | (18,486) |
| Paid during the year | (463,711) | (185,092) |
| | <u>749,445</u> | <u>1,074,496</u> |

| 9 EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE | Activities Undertaken Directly | Support Costs | Total Funds 2019 | Total Funds 2018 |
|--|---|--------------------------|---------------------------------|---------------------------------|
| | £ | £ | £ | £ |
| Research and development in the agricultural industry | 379,487 | 68,507 | 447,994 | 842,723 |
| Governance costs | - | 14,301 | 14,301 | 11,467 |
| | <u>379,487</u> | <u>82,808</u> | <u>462,295</u> | <u>854,190</u> |

| 10 ANALYSIS OF SUPPORT COSTS | Analysis of Support Costs Activity 1 | Total Costs 2019 | Total Costs 2018 |
|--|---|---------------------------------|---------------------------------|
| | £ | £ | £ |
| Staff costs | 27,613 | 27,613 | 34,230 |
| Premises | 7,683 | 7,683 | 5,661 |
| Communications and IT | 2,432 | 2,432 | 1,730 |
| General office | 5,637 | 5,637 | 5,894 |
| Finance costs | 12,822 | 12,822 | 8,775 |
| Governance costs | 14,301 | 14,301 | 11,467 |
| Support costs - other motor/travel costs | 405 | 405 | 334 |
| Support costs - depreciation | 1,543 | 1,543 | 1,225 |
| Support costs - other costs | 3,490 | 3,490 | 3,896 |
| Support costs - VAT | 6,882 | 6,882 | 9,835 |
| | <u>82,808</u> | <u>82,808</u> | <u>83,047</u> |

| 11 NET GAINS/(LOSSES) ON INVESTMENTS | Unrestricted Funds | Total Funds 2019 | Unrestricted Funds | Total Funds 2018 |
|---|-------------------------------|-----------------------------|-------------------------------|-----------------------------|
| | £ | £ | £ | £ |
| Gains/(losses) on other investment assets | 3,009 | 3,009 | (18,074) | (18,074) |
| | <u>3,009</u> | <u>3,009</u> | <u>(18,074)</u> | <u>(18,074)</u> |

| 12 NET INCOME/(EXPENDITURE) | 2019 | 2018 |
|------------------------------------|-------------|-------------|
| | £ | £ |

Net income/(expenditure) is stated after charging/(crediting):

| | | |
|---------------------------------------|-------|-------|
| Depreciation of tangible fixed assets | 1,543 | 1,225 |
|---------------------------------------|-------|-------|

| 13 AUDITORS REMUNERATION | 2019 | 2018 |
|---------------------------------|-------------|-------------|
| | £ | £ |

| | | |
|--|-------|-------|
| Fees payable for the audit of the financial statements | 3,500 | 2,750 |
|--|-------|-------|

| 14 STAFF COSTS | 2019 | 2018 |
|-----------------------|-------------|-------------|
| | £ | £ |

The total staff costs and employee benefits for the reporting period are analysed as follows:

| | | |
|---|---------------|---------------|
| Wages and salaries | 89,615 | 59,269 |
| Social security costs | 4,686 | 6,353 |
| Employer contributions to pension plans | 1,248 | 186 |
| | <u>95,549</u> | <u>65,808</u> |

The average head count of employees during the year was 4 (2018: 3). The average number of full-time equivalent employees during the year is analysed as follows:

| | 2019 | 2018 |
|-----------------|-------------|-------------|
| | £ | £ |
| Field Officer | 1 | 1 |
| General Manager | 1 | 1 |
| Project Officer | 1 | 1 |
| Finance Officer | 1 | - |
| | <u>4</u> | <u>3</u> |

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

15 NET INCOME/(EXPENDITURE)

None of the Trustees (or any persons connected with them) received any remuneration during the year (2018: £Nil). Trustees were reimbursed a total of £1,484 travelling expenses (2018: £1,676).

16 TANGIBLE FIXED ASSETS

| | Fixtures & Fittings £ | IT Equipment £ | Total £ |
|-------------------------|-----------------------------|----------------------|--------------|
| Cost | | | |
| At 1 April 2018 | 1,514 | 5,232 | 6,746 |
| Additions | 255 | 883 | 1,138 |
| At 31 March 2019 | <u>1,769</u> | <u>6,115</u> | <u>7,884</u> |
| Depreciation | | | |
| At 1 April 2018 | 336 | 1,863 | 2,199 |
| Charge for the year | 337 | 1,206 | 1,543 |
| At 31 March 2019 | <u>673</u> | <u>3,069</u> | <u>3,742</u> |
| Carrying amount | | | |
| At 31 March 2019 | <u>1,096</u> | <u>3,046</u> | <u>4,142</u> |
| At 31 March 2018 | <u>1,178</u> | <u>3,369</u> | <u>4,547</u> |

17 INVESTMENTS

Other investments £

| | |
|-----------------------------------|----------------|
| Cost or valuation | |
| At 1 April 2018 | 655,971 |
| Additions | 78,183 |
| Disposals | (89,034) |
| Fair value movements | 3,009 |
| At 31 March 2019 | <u>648,129</u> |
| Impairment | |
| At 1 April 2018 and 31 March 2019 | - |
| Carrying amount | |
| At 31 March 2019 | <u>648,129</u> |
| At 31 March 2018 | <u>655,971</u> |

All investments shown above are held at valuation.

| 18 DEBTORS | 2019 | 2018 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 165,891 | 147,090 |
| Prepayments and accrued income | 151,352 | 97,706 |
| Other debtors | 27,353 | 52,262 |
| | <u>344,596</u> | <u>297,058</u> |

| 19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 2019 | 2018 |
|--|----------------|----------------|
| | £ | £ |
| Trade creditors | 25,173 | 6,086 |
| Accruals and deferred income | 119,027 | 6,638 |
| Social security and other taxes | 2,169 | 1,640 |
| Other creditors | 432,752 | 609,161 |
| Other creditors | 1,497 | - |
| | <u>580,618</u> | <u>623,525</u> |

| 20 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 2019 | 2018 |
|---|----------------|----------------|
| | £ | £ |
| Other creditors | <u>325,805</u> | <u>481,275</u> |

21 PENSIONS AND OTHER POST RETIREMENT BENEFITS

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,248 (2018: £186).

22 ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

| | At 1 April 2018 £ | Income £ | Expenditure £ | Gains and losses £ | At 31 March 2019 £ |
|---------------|-------------------------|-------------|------------------|--------------------------|--------------------------|
| General funds | 151,982 | 647,559 | (462,295) | 3,009 | 340,255 |

| | At 1 April 2017 £ | Income £ | Expenditure £ | Gains and losses £ | At 31 March 2018 £ |
|---------------|-------------------------|-------------|------------------|--------------------------|--------------------------|
| General funds | 458,824 | 565,422 | (854,190) | (18,074) | 151,982 |

23 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £ | Total Funds £ |
|-------------------------------|----------------------------|---------------------|
| Tangible fixed assets | 4,142 | 4,142 |
| Investments | 648,129 | 648,129 |
| Current assets | 594,407 | 594,407 |
| Creditors less than 1 year | (580,618) | (580,618) |
| Creditors greater than 1 year | (325,805) | (325,805) |
| Net assets | 340,255 | 340,255 |

| | Unrestricted Funds £ | Total Funds £ |
|-------------------------------|----------------------------|---------------------|
| Tangible fixed assets | 4,547 | 4,547 |
| Investments | 655,971 | 655,971 |
| Current assets | 596,264 | 596,264 |
| Creditors less than 1 year | (623,525) | (623,525) |
| Creditors greater than 1 year | (481,275) | (481,275) |
| Net assets | 151,982 | 151,982 |

24 FINANCIAL INSTRUMENTS

2019**2018****£****£**

The carrying amount for each category of financial instrument is as follows:

Financial assets that are debt instruments measured at amortised cost

| | | |
|---|---------|---------|
| Financial assets that are debt instruments measured at amortised cost | 193,244 | 199,352 |
|---|---------|---------|

Financial assets that are equity instruments measured at cost less impairment

| | | |
|---|---------|---------|
| Financial assets that are equity instruments measured at cost less impairment | 648,130 | 655,971 |
|---|---------|---------|

Financial liabilities measured at amortised cost

| | | |
|--|---------|-----------|
| Financial liabilities measured at amortised cost | 904,255 | 1,103,160 |
|--|---------|-----------|

25 RELATED PARTIES

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 of £8,238 (2018: £2,625) was paid out to seven members of the Beef advisory committee, four members of the Dairy advisory committee and one member of the Sheep advisory committee.

Two members of the Sheep advisory committee and two members of the Beef advisory committee sit on the board of AHWNI. Agrisearch collected levies of £39,434 (2018: £45,610) on behalf of AHWNI and made payments of £37,900 (2018: £54,899) to AHWNI during the year. The balance owing to AHWNI at the year end was £5,304 (2018: £4,233.)

John Henning, Chairman of Agrisearch is also a director of Countryside Services Ltd and CIELivestock Limited, who provide services to the charity within the terms of their charitable activities. Countryside Services Ltd was paid a total of £11,078 (2018: £21,285).

John Henning and Jason Rankin are also directors of Royal Ulster Agricultural Society (RUAS).





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