

AgriSearch

Annual Report 2009

The Northern Ireland Agricultural Research
& Development Council Annual Report
for the year ending 31 March 2009

Trustees & Advisers during the year to 31 March 2009

Trustees

William Yarr (Chairman - Retired 23rd February 2009)
James Campbell (Chairman)
David Workman (Appointed 16th October 2008
- Vice Chairman)
Peadar Montague (Retired 16th October 2008)
Gary Hawkes (Retired 16th October 2008)
Nigel McLaughlin
Douglas Rowe
James Walker
Phelim O'Neill
Tom Henderson
Mary McCormack (Appointed 9th June 2008)
Mervyn King (Appointed 16th October 2008)
Ian Marshall (Appointed 23rd February 2009)
Seamus Haughey (Appointed 23rd February 2009)

Company Secretary

David Mark

Registered Office

Countryside Services Ltd
97 Moy Road
Dungannon
Co Tyrone
BT71 7DX

Solicitors

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

Bankers

Northern Bank Ltd
471-473 Antrim Road
Belfast
BT15 3BP

Registered Auditors

PricewaterhouseCooper LLP
Chartered Accountants & Registered Auditors
18 Northland Row
Dungannon
BT71 6AP

Dairy Advisory Committee

John Thompson (Chairman)
James Brown
Albert Foster
Jonathan Moore
Dr Alan McIlmoyle
Dr Ian Carrick
Gary McHenry
Ian McCluggage (Observer in Attendance)

Beef Advisory Committee

Harry Sinclair (Chairman)
Edward Carson
Michael McBride
Derek Shaw
Karl Mullan
Liam McCarthy
Dr Mike Tempest
Dr Colin McKee
Dr Raymond Steen
John Herron (Observer in Attendance)

Sheep Advisory Committee

Ian Buchanan (Chairman)
David Chambers
Isaac Crilly
Samuel Wharry
Dr Moore Chestnutt
Dr Jonathan Birnie
John Herron (Observer in Attendance)

Committee Secretary

Lynsay Alcorn



AgriSearch Chairman's Report

During 2009, there have been increasing indications that food 'security' is moving up the agenda of the UK Government. A renewed focus on 'food from our own resources' seems to be emerging. It remains to be seen to what extent these positive intentions will be translated into investment by Government in agricultural research.

At the same time, we are being told of pressure on public spending and the need for cuts to be made in some areas of that expenditure by Government. This means that organisations and individuals interested in promoting agricultural research must lobby and press for Government to allocate money for that purpose.

With a constructive approach and a 'can do' attitude, I am very hopeful that the work of the Northern Ireland Agricultural Research and Development Council – AgriSearch – can bear fruit in terms of research results that are helpful to farmers throughout this country and which can enhance the 'security' of food supplies.

The remit of AgriSearch is to commission research that has the potential to provide practical benefits for farmers

with dairying, beef or sheep enterprises. The trustees also make some funds available to assist in the dissemination of the results of that research for the benefit of the farming industry. The aim is to reduce costs of production, improve performance and increase the welfare of animals and farmers. Funding is obtained through 'terms of trade' levies, collected from Northern Ireland farmers by processors of milk, cattle and sheep and passed on to AgriSearch. Original intentions to have levies collected on animals sold through livestock markets in Northern Ireland have not been implemented.

Levy rates are 0.02p/litre of milk processed; 20p/head of cattle and 5p/head of sheep slaughtered in NI plants. With no increase in these rates since they were first set in 1997, the income of AgriSearch per unit of production is declining in real terms.

A decrease in income has also resulted from recent reductions in Northern Ireland's farm output of milk, beef and sheepmeat. During the year to 31 March 2009, these reductions have directly resulted in a fall of £17,500

(4%) in AgriSearch levy income, when compared to the previous year.

The investment income of AgriSearch was down by £40,000 (almost 40%) in 2008/09. This was partly due to falling rates of interest but also because the previous year's figure had included income from the maturation of a three year bond.

With uncertainties about the security of some banking organisations during the past year, the trustees have been alert to the risk of loss of any funds held. Options outside standard deposit accounts are being used as part of a spread of investments, within a continuing policy of 'low risk'. The trustees aim to maintain their policy that the investment income fully covers the administration costs of AgriSearch, so that all of the money collected as levies is expended on research and its dissemination. Administration costs are under scrutiny.

During the 2008/09 financial year, £537,354 was committed to 8 research projects. These are listed on page 5 of this annual report. The money is to be drawn down over a period

AgriSearch Chairman's Report (Cont...)

of months or years as the related research proceeds. One previously approved project is not going ahead and this resulted in £77,713 being re-credited to our accounts.

Since 1997, just over £5m levy income has been collected, of which £414,000 has come in during 2008/09. Over £4.6m has been assigned to research, in a total of 77 projects supported. With complementary funding, mostly from the Department of Agriculture and Rural Development, this has resulted in overall investment of more than £12m in projects backed by AgriSearch. Details of the research projects that AgriSearch has initiated or assisted are on the website www.agrisearch.org

In February 2009, Dr Sinclair Mayne was appointed as Departmental Scientific Adviser (DSA) at the Department of Agriculture and Rural Development. This appointment has been welcomed by AgriSearch. It is expected that, with the DSA in post and with the publication of the DARD Evidence and Innovation Strategy in July 2009, there will be clarity in the future direction of agricultural research

priorities. As a result, the basis for allocation of complementary funding should become much more clear and decisions on the approval of projects and allocation of that funding should not suffer the delays that were a feature of recent years.

Personnel

The past year has seen considerable turnover in personnel at the Northern Ireland Agricultural Research and Development Council (AgriSearch).

Bill Yarr stood down from the position of chairman on 23 February 2009, after almost ten years at the helm. Bill has given outstanding leadership and has left AgriSearch with robust systems of governance in place.

Since my appointment as vice chairman in September 2004, I have been privileged to witness Bill's meticulous and thorough approach to the job. I believe that all of the trustees who served during his chairmanship have great respect for the manner in which he operated. On behalf of all of them and all members of the advisory committees, I wish Bill well in his retirement.

In October 2008, Mervyn King and David Workman were appointed as 'independent' trustees and David was subsequently elected as vice chairman on 23 February 2009. Also in February, Seamus Haughey and Ian Marshall became trustees. Ian replaced Gary Hawkes as a nominee of the Ulster Farmers' Union, on whose behalf Gary had served since May 1999. Seamus took over as an independent farmer representative from Peadar Montague, who had been involved since the setting up of the Council in 1996. I wish to record the wholehearted appreciation of AgriSearch for the contribution that Peadar and Gary made as trustees over such a long period.

Sincere appreciation is also due to James Walker, who served as a nominee of the dairy processing sector (levy collectors) from September 2006 until his retirement in March this year. John Dunlop was appointed in June 2009 to fill the vacancy.

The appointment of Mary McCormack as an independent farmer representative in June 2008 was reported in the chairman's statement last year.

AgriSearch Chairman's Report (Cont...)

Mary replaced Wilfred Mitchell, who had served for 11 years. This means that we have six 'new' trustees on the Board since 1 April 2008. We also have to anticipate one further replacement at the 2009 annual meeting, as the last of the original trustees, Tom Henderson, steps down. His is another example of sterling service, freely given.

Bearing in mind the changes in trustees, it is pleasing that there has been little change in membership of the advisory committees during the past year.

After a very committed stint as chairman of the dairy advisory committee, James Brown relinquished the chair in 2008 but remained on the committee until May 2009, where his experience was extremely valuable. John Thompson succeeded James in the role of chairman.

Harry Sinclair has stepped into the same position on the beef advisory committee, following the term served by Kenneth Sharkey. The place previously occupied by Colin Duffy on behalf of beef processors has been taken on by Liam

McCarthy.

On the sheep advisory committee, Jonathan Birnie has come forward to represent the processing sector in place of Lewis McClinton. After serving as scientific adviser on the sheep committee since the beginning, Moore Chestnutt retired in June this year. On behalf of AgriSearch, I wish to express thanks to Moore for his dedicated involvement.

Arrangements have been made to have a senior adviser from the College of Agriculture, Food and Rural Enterprise (CAFRE) on each of the committees, in a non-voting capacity. They are in a position to make well-informed input to the deliberations. The CAFRE representatives during the year were John Herron and Ian McCluggage.

On behalf of the trustees, I wish to thank all the members of these committees (listed elsewhere in this report) for their contribution to the work of AgriSearch. I also want to record thanks to Lynsay Alcorn for her efficient services as secretary to the committees and to David Mark as company secretary.

£537,354

During the 2008/09 financial year, £537,354 was committed to 8 research projects

Projects Commissioned by AgriSearch between 1st April 2008 and 31st March 2009

Improving nutrient management within intensive grassland based dairy systems

The effect of dairy farming system on green house gas and ammonia emissions from farms in NI and the development of practical mitigation strategies

Comparison of the performance of two cow genotypes within a total confinement and low input grazing system

FGS McClure Watters - Appraisal of Research

Management strategies for high yielding cows during the summer

Investigation of the relationship between carcass characteristics and lean meat yield and meat quality from a range of sheep breeds - part 1

Investigation of the relationship between carcass characteristics and lean meat yield and meat quality from a range of sheep breeds - part 2

Evaluation of efficiency of beef systems based on cattle sourced from the dairy herd

NI Agricultural Research and Development Council

Statement of Financial activities (including income and expenditure account) for the year ended 31 March 2009

| | Notes | Unrestricted Funds | |
|--|-------|--------------------|-----------------|
| | | 2009 £ | 2008 £ |
| Incoming Resources | | | |
| Incoming Resources from generated funds | | | |
| Milk Income | | 303,802 | 314,007 |
| Beef Income | | 76,911 | 80,002 |
| Sheep Income | | 33,470 | 37,681 |
| Investment Income | | 63,840 | 103,861 |
| Total Income Resources | | 478,023 | 535,551 |
| Resources Expended | | | |
| Charitable Expenditure | | | |
| Direct Programme Expenditure | 12 | 459,641 | 530,866 |
| Dissemination Costs | | 32,160 | 35,518 |
| Governance Costs | | | |
| Management and Administration | 2 | 56,632 | 51,490 |
| Total Resources Expended | | 548,433 | 617,874 |
| Net Outgoing Resources for the year | 3 | (70,410) | (82,323) |
| Fund Balance brought forward at 1 April 08 | | 506,129 | 588,452 |
| Fund Balance carried forward at 31 March 09 | 13 | 435,719 | 506,129 |

All amounts above relate to the continuing unrestricted operations of the company.

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the net outgoing resources and the funds for the financial year stated above and their historical cost equivalents.

NI Agricultural Research and Development Council

Balance sheet at 31st March 2009

| | Notes | 2009 £ | 2008 £ |
|--|-------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 2,541 | 5,084 |
| Current assets | | | |
| Debtors | 8 | 109,099 | 127,565 |
| Cash at bank | 9 | 1,324,940 | 1,569,817 |
| | | 1,434,039 | 1,697,382 |
| Creditors: amounts falling due within one year | 10 | (310,021) | (668,031) |
| Net current assets | | 1,124,018 | 1,029,351 |
| Total assets less current liabilities | | 1,126,559 | 1,034,435 |
| Creditors: amounts falling due after more than one year | 11 | (690,840) | (528,306) |
| Net assets | | 435,719 | 506,129 |
| Funds | | | |
| Unrestricted funds | | 435,719 | 506,129 |
| Total funds | 13 | 435,719 | 506,129 |

The financial statements were approved by the Trustees on 08 June 2009 and were signed on their behalf by:

James Campbell
Director

Notes to the financial statements for the year ended 31 March 2009

1. Accounting policies

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005, the Companies (Northern Ireland) Order 1986 and applicable accounting standards. The principal accounting policies are set out below.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost, [or valuation], of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The

principal annual rates used are as follows:

Computer equipment
20% straight line

Incoming resources

Income represents all monies, on an accruals basis, collected on behalf of the Company by its agents. The levy rates charged to producers are as follows:-

Milk - 0.02p per litre
Beef - 20p per head
Sheep - 5p per head

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.

Direct programme expenditure

Direct programme expenditure represents research and development grants approved for payment. These are charged as expenditure in the year in which the commitment is made

and are carried forward as a liability until paid.

Management and administration expenditure

This represents costs incurred in the management of the company's assets, organisational administration and compliance with constitutional and statutory requirements and other support functions.

Value Added Tax

The Company is not registered for VAT purposes; therefore expenditure is shown gross of VAT.

Unrestricted Funds

Unrestricted funds are amounts received or generated and which are expendable at the discretion of the Company in furtherance of its objectives.

Investment Income

Investment income is recognised on a receivable basis and arises from interest bearing deposit accounts.

NI Agricultural Research and Development Council

Notes to the financial statements for the year ended 31 March 2009

2. Management & Administration

| | 2009 £ | 2008 £ |
|---|--------|--------|
| Promotion, publications and advertising | 8,250 | 8,880 |
| Administrative costs | 48,382 | 42,610 |
| | 56,632 | 51,490 |

3. Net outgoing resources

| | 2009 £ | 2008 £ |
|---------------------------------------|--------|--------|
| This is stated after charging: | | |
| Auditors' remuneration | 2,500 | 2,500 |
| Depreciation of tangible fixed assets | | |
| - on owned assets | 2,543 | - |

4. Employee Information

| | 2009 | 2008 |
|---|------|------|
| Average monthly number of persons employed by the Council (including Trustees) during the period by activity | | |
| Administration | 13 | 9 |

5. Trustees' emoluments

The Trustees received no emoluments during the year (2008: Nil) and no other pension costs were accruing to trustees in either year.

6. Taxation

The company is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

NI Agricultural Research and Development Council

Notes to the financial statements for the year ended 31 March 2009

7. Fixed Assets

| | Computer Equipment | £ |
|-----------------------------------|--------------------|---------------|
| Cost | | |
| At 1 April 2008 and 31 March 2009 | | 12,713 |
| Accumulated depreciation | | |
| At 1 April 2008 | | 7,629 |
| Charge for year | | 2,543 |
| At 31 March 2009 | | 10,172 |
| Net book value | | |
| At 31 March 2009 | | 2,541 |
| At 31 March 2008 | | 5,084 |

8. Debtors

| | 2009 £ | 2008 £ |
|--------------------------------|----------------|----------------|
| Levy debtors | 94,843 | 108,255 |
| Prepayments and accrued income | 14,256 | 19,310 |
| | 109,099 | 127,565 |

9. Cash at Bank

| | 2009 £ | 2008 £ |
|---------------------------|------------------|------------------|
| Committed funds (note 12) | 983,078 | 1,180,227 |
| Uncommitted funds | 341,862 | 389,590 |
| | 1,324,940 | 1,569,817 |

NI Agricultural Research and Development Council

Notes to the financial statements for the year ended 31 March 2009

10. Creditors: amounts falling due within one year

| | 2009 £ | 2008 £ |
|---|----------------|----------------|
| Trade creditors | 2,980 | - |
| Other creditors - committed expenditure (note 12) | 292,238 | 651,921 |
| Accruals and deferred income | 14,803 | 16,110 |
| | 310,021 | 668,031 |

11. Creditors: amounts falling due after one year

| | 2009 £ | 2008 £ |
|---|---------|---------|
| Other creditors – committed expenditure (note 12) | 690,840 | 528,306 |

12. Committed grant expenditure

| | 2009 £ | 2008 £ |
|-------------------------------------|----------------|------------------|
| Committed expenditure at 1 April | 1,180,227 | 1,002,918 |
| Further commitments during the year | 537,354 | 530,866 |
| Cancelled project | (77,713) | - |
| Paid during the year | (656,790) | (353,557) |
| At 31 March | 983,078 | 1,180,227 |

13. Reconciliation of movement in accumulated funds

| | 2009 £ | 2008 £ |
|-------------------------------------|----------------|----------------|
| At 1 April | 506,129 | 588,452 |
| Net outgoing resources for the year | (70,410) | (82,323) |
| At 31 March | 435,719 | 506,129 |

14. Share capital – limited by guarantee

The Northern Ireland Agricultural Research & Development Council is a company limited by guarantee. The liability of the members is limited to an amount not exceeding £1.

NI Agricultural Research and Development Council

Management and administration expenditure for the year ended 31 March 2009

| | 2009 £ | 2008 £ |
|---|---------------|---------------|
| Promotions, publications, advertising and educational activities | | |
| Public relations services | 6,017 | 6,360 |
| Mileage allowance | 2,233 | 2,520 |
| | 8,250 | 8,880 |
| Administrative costs | | |
| Management charge: Countryside Services Limited | 23,519 | 20,764 |
| Audit and accountancy fees | 2,812 | 3,412 |
| Insurance | 2,720 | (1,821) |
| Miscellaneous expenses | 531 | 110 |
| Postage | 376 | - |
| Computer software support | 816 | 1,889 |
| Chairman's honorarium | 5,500 | 5,300 |
| VAT costs | 9,455 | 10,334 |
| Depreciation | 2,543 | 2,543 |
| Bank fees | 110 | 79 |
| | 48,382 | 42,610 |

The 2007/08 insurance premium accrued in the 2008 accounts was reversed as the Company's insurers could not back date its insurance for that year when the policy had lapsed.

AgriSearch Booklets

1 SHEEP S-01-97

The Effects of Genetics of Lowland Cross-Bred Ewes and Terminal Sires on Lamb Output and Carcass Quality

2 DAIRY D-05-98

A Comparison of Four Grassland-Based Systems of Milk Production for Winter Calving High Genetic Merit Dairy Cows

3 DAIRY D-07-98

Dairy Herd Fertility - Examination of Effects of Increasing Genetic Merit and other Herd Factors on Reproductive Performance

4 SHEEP S-02-99

Developing Low Cost 'Natural-Care' Systems of Sheep Production

5 BEEF B-01-97

An Examination of Factors affecting the Cleanliness of Housed Beef Cattle

6 BEEF B-02-97

The Effects of Housing System on Performance, Behaviour and Welfare of Beef Cattle

7 DAIRY D-03-97

Developing Improved Heifer Rearing Systems

8 BEEF B-03-98

The Influence of Suckler Cow Genetics and Terminal Sire on Performance of the Suckler Herd

9 DAIRY & BEEF DB-16-03

Reducing Organic Nitrogen Output from Dairy Cows and Beef Cattle in Nitrate Vulnerable Zones

10 DAIRY D-13-02

The Effect of the Type of Dietary Supplement on the Performance of the Grazing Dairy Cow

11 DAIRY D-06-98

Are International Dairy Sire Genetic Evaluations Relevant to Milk Production Systems in Northern Ireland?

12 BEEF D-06-08

Holstein Bull Beef Production

13 Dairy – D-18-04

Footbath Design and Use



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