

Annual Report 2016/17

Driving Excellence
and Innovation



20 Years of Farmer
Funded Research
1997-2017

Legal & Administrative Information

Trustees

Fred Allen
Michael Bell
James Campbell
Conall Donnelly
John Henning
Ian Marshall
John Martin
Wilbert Mayne
Seamus McCaffrey
(Appointed 7 June 2016)
Allister Mitchell
Peter Morrow
Oisín Murnion
Andrew Wilson
(Appointed 14 November 2016)

Secretary

Jason Rankin

Charity number

102341

Company number

NI035855

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Advisors

Beef Advisory Committee

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

Dairy Advisory Committee

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

Sheep Advisory Committee

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

Annual Report 2016/17

Driving Excellence
and Innovation



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Michael Bell
Chairman, AgriSearch

Chairman's Report



This is my first year reporting as Chairman of AgriSearch. No-one could have predicted the very considerable changes in the political landscape for the United Kingdom and for the Agri-Food industry in particular. These seismic shifts will in due course change our research priorities and our research agenda.

Over the past 20 years, AgriSearch has had a hugely productive output for our farmers. Analysis has shown that we have delivered almost twenty to one against the funds entrusted to us. This highlights the value we return to our levy payers. We have recently produced a multi-author booklet highlighting the challenges we have addressed over the past twenty years. I wish to acknowledge the contribution made by my three previous Chairpersons, not least my immediate predecessor James Campbell. I would also like to record my thanks to all those who contributed to this booklet.

We have also spent a lot of energy thinking about the future challenges and how we should focus our resources to bring the maximum benefit back to farming in Northern Ireland. We wish to continue our process of engagement, consultation and prioritisation.

My job is to help the Board of Trustees clearly focus on those priorities, to decide our actions. Our General Manager Jason Rankin, (who has also had an outstanding year) then has the tough task of getting it done.

We have produced, in my view, a very useful document, debating where we should put our priorities for the future. In some ways that is the easy part. We know what we need to do and now we need to put the money on the table to make it happen.

AgriSearch's funding has not increased in years and yet the return is one of the most outstanding of any organisation of its type. It is a registered charity and all the money given to it goes back to deliver value for farmers. In recent months following the end of the 2017 financial year AgriSearch working together with a range of partners has been successful in attracting close to £20M in funding for new research projects to start in 2018.

With the degree of change that will be required in coming years, now more than ever we need to invest. With an uncertain future, money invested in research and innovation is well spent and AgriSearch has proven its value over 20 years.

We need to review the resources entrusted to AgriSearch and what is going to be required to deliver a prosperous future for farmers in Northern Ireland.

Commissioned Projects

An evaluation of beef grazing systems and trace element supplementation within suckler beef production.

Enhancing precision within winter feeding systems for dairy cows.

Plasmafluidic Paper-Based Analytical Device: A rapid point-of-sampling diagnostic and management support platform for infectious and antimicrobial resistant pathogens.

Recovery and recycling of phosphorus from waste.

GrassCheck VII - Grass growth and quality monitoring.

Novel renewable sorbents for removal and recovery of nitrogen from waste.

Animal and processing factors associated with the therapeutic and performance enhancing properties of bovine colostrum for human consumption.

Understanding barriers to improving grass utilisation and milk from forage.

Impact of sheep grazing systems and genotypes on grass utilisation, performance and health on lowland and upland pasture.

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 2016/17 was £447,644 (up by 17% from the previous year) and it is not uncommon for research projects to cost over 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. There were slightly fewer calls open during 2016/17 and this resulted in fewer research projects commissioned during the year.

DAERA's (Department of Agriculture, Environment and Rural Affairs) Evidence and Innovation Strategy continues to be a valuable source of research funding. Three E & I research projects supported by AgriSearch were commissioned during the year.



Agri-Food Quest Competence Centre

During the financial year AgriSearch became a member of 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 as defined by the Agri-Food Strategy Board in "Going for Growth"; that is to grow the agri-business sector by 60% by 2020 to £7bn turnover.

In 2016/17 AgriSearch was a member of four Agri-Food Quest consortia that succeeded in obtaining research funds. While AgriSearch has collaborated with other industry partners in previous studies, the AFQCC projects have significantly enhanced our contact with key agri-food businesses.

Our involvement in Agri-Food Quest projects represents a further evolution in AgriSearch's journey. As I have noted in previous reports, AgriSearch has evolved from being purely a 'back-seat' funder of research to being a much more active participant and in some cases leader of research projects. Under the Agri-Food Quest framework the academic



partner costs are paid for by the centre (which is in turn funded by InvestNI) on the basis that the industry partners will contribute 25% of the total project costs in the form of in-kind contributions. In AgriSearch's terms such contributions tend to be staff time, recruitment and payment of farmer co-researchers and knowledge exchange activities.

Centre for Innovation Excellence in Livestock

AgriSearch continues its involvement with the Centre for Innovation Excellence in Livestock (CIEL) and has developed a good working relationship with key staff in the centre. The network of weather stations rolled out across Northern Ireland as part of the GrassCheck project were part of the CIEL investment at AFBI. The



new GrassCheck project has been highlighted by CIEL as an early success story in the use of the capital grant funding.

Projects Commenced

A suite of three projects contributing to the GrassCheck initiative all commenced during the financial year.

- GrassCheck VII
- Beef from Grass: An evaluation of beef grazing systems and trace element supplementation within suckler beef production.
- Lamb from Grass: Impact of sheep grazing systems and genotypes on grass utilisation, performance and health on lowland and upland pasture.

GrassCheck is AgriSearch's longest running programme. 2017 saw the start of its seventh incarnation. This year the project progressed from monitoring grass growth on small scale trial plots at Hillsborough and Greenmount, to include 12 dairy farmers, 15 beef farmers and five sheep farmers, who measure grass growth weekly and take fortnightly grass samples. In addition, 24 weather stations have been deployed on these pilot farms to record a wide range of meteorological data from across Northern Ireland.

The weekly GrassCheck bulletin (which appears in the local agricultural press) has been expanded to feature a lot more of this information. In addition, a new section within the AgriSearch website was created for GrassCheck which enables farmers to look at grass growth and quality data and meteorological data in their locality. Separate social media accounts have also been created for the GrassCheck project and the Facebook page in particular has achieved a high level of likes and views.

In addition to the on-farm measurement the "Beef from Grass" project also aims to develop a blueprint for increasing grass production beyond 12t DM/ha on a beef farm with maximum utilisation. This work is being carried out at AFBI Hillsborough.

The "Lamb from Grass" study is also seeking to develop a blueprint for lowland sheep grazing systems as well as looking at the performance of different breeding strategies on different grazing systems. This study also has a "hill" component which will identify, implement and monitor grazing strategies suitable for Northern Ireland's upland sheep production systems and monitoring tools to assess their efficiency.



GrassCheck Dairy, Beef & Sheep Pilot Farmers

- | | | |
|-----------------------|------------------------|------------------------|
| 1 Ryan Carr | 13 Sam Chesney | 28 Roger & Hilary Bell |
| 2 Ian McClelland | 14 Brian Radcliff | 29 Jayme Carvill |
| 3 Brian McCracken | 15 Frank & Paul Turley | 30 Crosby Cleland |
| 4 Ian Henry | 16 Philip Truesdale | 31 Isaac Crilly |
| 5 Samuel McElheran | 17 Donaldson Oliver | 32 John Martin |
| 6 Joe Cush | 18 Ryan McDowell | 33 Russell Scott |
| 7 David Hunter | 19 Craig Martin | |
| 8 Henry Stewart | 20 David Anderson | |
| 9 Andrew Little | 21 Oliver McKenna | |
| 10 Aidan McManus | 22 Francis McDonnell | |
| 11 John & Andrew Dale | 23 Trevor Somerville | |
| 12 Hugh Harbison | 24 David McKinstry | |
| | 25 James Taylor | |
| | 26 Stephen Maguire | |
| | 27 John Egerton | |



GrassCheck has progressed from just monitoring grass growth on trial plots at Hillsborough and Greenmount to now include 35 farms from across Northern Ireland.

A major new study on enhancing precision within winter feeding systems for dairy cows got underway in the autumn of 2016. This is looking at going beyond the conventional “Feed to Yield” concentrate allocation strategies to take into account liveweight, milk composition and actual feed intake. The project will also assess the use of a range of precision technologies in monitoring dairy cows and the potential to integrate feed information from these into feed management practices with the ultimate aim of increasing efficiency.

NI Livestock Industries Data Hub

AgriSearch’s Livestock Genetics Project Manager Dr Steven Morrison continued to work on the business case for a Northern Ireland Livestock Industries Data Hub throughout the year and this was submitted to DAERA at the end of March 2017.

EAAP Conference

Belfast’s Waterfront Hall hosted the 2016 annual conference of the European Federation of Animal Science. AgriSearch ran a seminar and workshop during the conference on knowledge exchange. AgriSearch also helped organise and facilitate post-conference farm walks on the farms of two of our farmer co-researchers.

EuroDairy

Throughout the year AgriSearch continued its participation in EuroDairy, a thematic network funded under the EU Horizon 2020 programme. Three pilot farmers were recruited in Northern Ireland. A launch event was held to coincide with the EAAP conference and as a result many of our European partners were able to attend. I wish to acknowledge the support of CAFRE in collecting the financial data from the pilot farms for this project.



A key asset of AgriSearch is facilitating on-farm research and knowledge exchange.

Knowledge Exchange

AgriSearch hosted a Liver Fluke conference in September 2016. This was an opportunity to disseminate the results of a large scale liver fluke research project led by Liverpool University and the Moredun Institute, funded by the Biotechnology and Biological Sciences Research Council (BBSRC).

Two beef farm walks were held on 30th November / 1st December 2016 in Plumbridge and Portaferry respectively. These were held as part of the Research Challenge Fund study into suckler synchronisation.

In addition, AgriSearch engaged with farmers through its trade stands at the Pedigree Calf Fair and Royal Ulster Winter Fair.

New Funding Commitments

During the financial year 2016/17 AgriSearch agreed to fund 9 new projects by providing a total of £257,395 on the understanding that there would be complementary funding in the region of £2,633,270 from other sources including the Department for Agriculture, Environment and Rural Affairs and the Agri-Food Quest Competence Centre.

Project Officer

At the end of the financial year the Trustees decided to recruit a Project Officer to assist in the delivery of our wide portfolio of research projects in which we are playing an ever more active role. Dr Elizabeth Earle was subsequently appointed to the role. Elizabeth had just completed a UCD / Teagasc PhD in sheep production at Athenry.

Looking Forward

As noted at the start of my report the timings of research funding calls are not evenly spread. The months immediately after the financial year end saw an unprecedented level of new research funding calls emerge. During this time AgriSearch was involved in 15 project bids with a total value of over £20 million. The fact that we were able to apply for such levels of funding was only possible due to the recruitment of our new Project Officer.





Acknowledgements

I would like to thank the Trustees and members of the advisory committees for their invaluable commitment to AgriSearch. AgriSearch works increasingly with a wide variety of industry partners and I would particularly like to acknowledge Genus, Zoetis and AI Services for their assistance with the delivery of the suckler synchronisation project.

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.

Prof. Nigel Scollan, Director of the Institute of Global Food Security and Ann McMahon, Business Alliance Manager, have both made a very significant impact since their appointment at Queen's University.

Last but my no means least I would like to thank the staff at AFBI Hillsborough for their ongoing support. I would like to pay tribute to Dr Deborah McConnell and Dr Francis Lively for the enormous amount of work that they put into GrassCheck. The new on-farm element of the project was a most ambitious undertaking and represents a real partnership between the farmers, AgriSearch and AFBI. The commitment shown by all to the project has reaped dividends and the GrassCheck project is now widely recognised nationally and internationally as an exemplar of on-farm research, innovation and knowledge exchange.

Conclusion

2017 marks AgriSearch's 20th anniversary. Those 20 years have seen enormous changes and challenges for both the ruminant livestock sector and the operating environment for research, development and innovation in the UK and internationally. AgriSearch continues to adapt and grow to meet these challenges.

AgriSearch is a small organisation with big ambitions for our industry. Only by working with our research partners, our enthusiastic team of farmer co-researchers, the agri-food industry, veterinarians and government can we hope to achieve our aim. That is, as it has been from the start 20 years ago - **To make the Northern Ireland ruminant livestock sector more competitive, profitable and sustainable.**



Trustees' Report (including Directors' Report)
for the year ended 31 March 2017

Trustees' Report

The Trustees present their report and accounts for the year ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)



AgriSearch continues to adapt and grow to respond to the challenges facing the ruminant livestock sector.



OBJECTIVES AND ACTIVITIES

Charitable objective

The principal activity of the Council is to commission research and development in the agricultural industry.

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

Aims of the charity

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

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

During 2014-15 the Trustees commissioned a complete review of AgriSearch's strategy and future direction. This included engaging with all those involved in AgriSearch's committees as well as external stakeholders. The key elements of the new strategy are:

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

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

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

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

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

Trustees' Report (including Directors' Report) for the year ended 31 March 2017

How achievement of aims furthers objectives

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

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

Strategies for achieving aims and objectives

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

Criteria used to assess success

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

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



Main objectives for the year and strategies for achieving them

- To 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 maximize the leverage of funds from sources outside AgriSearch.
- To increase the knowledge transfer activities of AgriSearch in co-operation with AFBI and CAFRE to improve the dissemination of AgriSearch funded research.
- To engage with other levy bodies in Great Britain and further afield to pool resources, avoid the duplication of research and place ourselves in a position to draw down funding under the EU Horizon 2020 programme.

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. The Trustees are also actively looking at other sources of funding such as the European Union and are liaising with organisations across the UK and Europe to collaborate where appropriate.

Use of volunteers

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

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



ACHIEVEMENTS AND PERFORMANCE

Summary of main achievements

- Commissioned 9 new research projects.
- Website continuously updated along with use of social media.
- Creation of a new GrassCheck website.
- Recruited 3 pilot farmers to participate in the EuroDairy project.
- 2 beef farm walks held during the year in conjunction with AFBI and CAFRE.
- 2 dairy and beef farm walks held for delegates to the EAAP Conference in Belfast.
- Hosted a workshop on Knowledge Exchange at the EAAP conference in Belfast.
- Hosted a seminar on Liver Fluke for farmers, vets and advisors.
- As part of the Super-G Horizon 2020 consortium submitted a successful first stage proposal on permanent grassland.

- Continued to engage in the setup of the Centre of Innovation Excellence for Livestock (CIEL).
- Along with 20 other partners across 14 countries commissioned “EuroDairy” a Horizon 2020 thematic network.
- Further developed and submitted a business case to DAERA on behalf of the Agri-Food Strategy Board for a Northern Ireland Livestock Industry Data Hub.
- Continued to participate in a “dairy-levy working group” looking at finding an equitable long-term solution to the collection of dairy levy.
- Used trade stands at the Pedigree Calf Fair and Royal Ulster Winter Fair to disseminate research results to farmers.
- Recruited 30 dairy and beef pilot farmers to participate in the new GrassCheck and Beef from Grass projects.

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 six 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.



Helping to keep Northern Ireland competitive in global markets.

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 2016/17 financial year there were relatively few funding competitions open which is why the amount of funding committed has fallen. We expect this to go up again in 2017/18.

Investment performance against objectives

Cash flow and reallocation of funds between accounts has been managed to maximize the limited returns available on deposit accounts. The Danske Bank managed portfolio has returned satisfactory performance with an average return of 8.58% since its launch and a return of 2.81% this year. The Trustees have reviewed the portfolio and returns and are satisfied with the management of risk and investment income.

A comprehensive investment review was carried out during the 2015/16 financial year and in light of the continuing low rates of interest on bank deposit accounts, £200,000 was invested on 10th June 2016 in a portfolio to be managed by St. James's Place. This investment has yielded a return of 11.68% to 31st March 2017.

Trustees' Report (including Directors' Report) for the year ended 31 March 2017

FINANCIAL REVIEW

Review of financial position

The statement of financial activities for the year is set out on page 24 of this report. The net movement in funds for the financial year is net resources received of £181,735 (2016: net resources expended of £119,238). During the year AgriSearch agreed to fund 9 projects totalling £257,395 on the basis that complementary funding in the region of £2,633,270 would be sought from Department of Agriculture, Environment and Rural Affairs, the Agri-Food Quest Competence Centre 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 £35m, with the input from AgriSearch amounting to £7.7M.

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 2017 is £458,824. 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.

Principal sources of income

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

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.

During the year, a total of £200,000 was transferred from a deposit account to a portfolio managed by St. James's Place to achieve an improved return on investment and broaden the scope of investment. The Trustees' have adopted a low risk policy on investment.

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 through 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

The investment policy is low risk. During the 2015-16 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 were invested within investment portfolios managed by Danske Bank. In view of the continuing low levels of bank deposit account interest rates, a further £200,000 was invested with St. James's Place during the financial year. All funds are accessible at one day's notice.

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

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 improved in the 2016-17 year. We have continued to work with other levy bodies, industry stakeholders and the Agri-Food Strategy Board to find a longer-term solution which will be equitable for all involved.

Plans for future periods

- To continue our involvement in EuroDairy – a thematic network funded by the European Commission under the Horizon 2020 programme.
- To engage in the second stage application of the Super-G consortium.
- To participate in the building of further networks and consortia to pool resources, avoid the duplication of research and draw down external funding.
- To recruit a project officer to assist with the management of our expanding R&D project portfolio.
- To continue our membership of and involvement in the Centre for Innovation Excellence in Livestock.
- To assist as appropriate in the establishment of a Northern Ireland Livestock Industries Data Hub.
- To hold further on-farm events in collaboration with AFBI.
- 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 by increasing the circulation of the Ezine and increasing traffic to the website and social media.
- To further develop our communications and knowledge transfer strategy and to engage a new Public Relations service provider.
- To engage with DAERA and the Agri-Food Strategy Board to ensure a high priority is given to research and knowledge transfer and ensure co-ordination of research and knowledge transfer activities and maximize synergies.
- As part of the communications strategy, to produce and widely circulate a special publication to mark AgriSearch's 20th Anniversary.

Trustees' Report (including Directors' Report) for the year ended 31 March 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

Fred Allen
Michael Bell
James Campbell
Conall Donnelly
John Henning
Ian Marshall
John Martin
Wilbert Mayne
Seamus McCaffrey
Allister Mitchell
Peter Morrow
Oisín Murnion
Andrew Wilson

Recruitment and appointment of trustees

The Board of Trustees, who are also the Directors of the Charitable Company, are appointed by the Council. The Trustees appoint three Advisory Committees to consider and monitor appropriate research projects.

Nominations are received from the Ulster Farmers' Union for three farmer Trustees. On behalf of processors (who are levy collectors) DairyUK and NI Meat Exporters Association (NIMEA) nominate one trustee each.

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

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

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

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

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 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.



Members of Council: Back row (from left to right): Crosby Cleland, Drew McConnell, Edward Adamson, Peter Morrow, Conall Donnelly, Seamus McCaffrey, Oisín Murnion, John Martin, Ivor Ferguson **Front row:** Andrew Wilson, James Campbell (Senior Vice-Chair), Jason Rankin (General Manager), Michael Bell (Chair), Wilbert Mayne, Mervyn King

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 2017):

Beef Advisory Committee

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

Dairy Advisory Committee

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

Sheep Advisory Committee

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

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.

Trustees' Report (including Directors' Report) for the year ended 31 March 2017

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:

John Henning (Chairman)
Wilbert Mayne
Allister Mitchell

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)
Allister Mitchell

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

Two Trustees and three members of the AgriSearch Sheep Advisory Committee received payments during the financial year for activity undertaken as "farmer co-researchers", these are detailed on page 35 under Related Party Transactions. Farmer co-researchers are appointed on-merit in consultation with the relevant lead scientist and an independent expert.

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

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

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



STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

Auditor

Following the merger between RSM Northern Ireland and the RSM UK group in January 2017, RSM UK Audit LLP became the company's auditors in accordance with section 1216 of the Companies Act 2006.

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

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



**Mr M Bell
Chairman**

Dated: 20 November 2017



**Mr J Henning
Vice Chairman**

Dated: 20 November 2017

Independent Auditor's Report

OPINION ON FINANCIAL STATEMENTS

We have audited the financial statements of The Northern Ireland Agricultural Research and Development Council (the 'charitable company') for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the accounts

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion in other matter prescribed by the Companies Act 2006

In our opinion 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, based on the work undertaken in the course of our audit, 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 charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report.

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

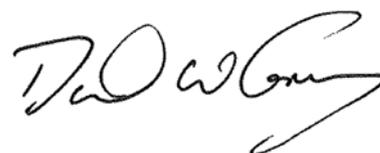
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;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

Respective responsibilities of trustees and auditor

As explained more fully in the statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**D W Gray FCA
(Senior Statutory Auditor)
for and on behalf of
RSM UK Audit LLP**

**Chartered Accountants
Statutory Auditor**

Dated: 20 November 2017
Number One, Lanyon Quay
Belfast BT1 3LG
N Ireland

Statement of Financial Activities
including Income and Expenditure Account
for the year ended 31 March 2017

Financial Accounts 2016/17

STATEMENT OF FINANCIAL ACTIVITIES	Notes	2017 £	2016 £
Income from:			
Donations	3	554,749	484,680
Investments	4	22,259	14,644
Total income		<u>577,008</u>	<u>499,324</u>
Expenditure on:			
Raising funds	5	8,334	-
Charitable activities	6	452,231	600,133
Total resources expended		<u>460,565</u>	<u>600,133</u>
Net gains on investments	12	65,292	(18,429)
Net movement in funds		181,735	(119,238)
Fund balances at 1 April 2016		<u>277,089</u>	<u>396,327</u>
Fund balances at 31 March 2017		<u><u>458,824</u></u>	<u><u>277,089</u></u>

All income and expenditure derive from continuing activities.

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

BALANCE SHEET	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	13		2,849		3,614
Investments	14		674,045		408,753
			<u>676,894</u>		<u>412,367</u>
Current assets					
Debtors	16	310,037		222,297	
Cash at bank and in hand		138,601		445,145	
		<u>448,638</u>		<u>667,442</u>	
Creditors: amounts falling due within one year	17	(416,623)		(540,980)	
Net current assets			<u>32,015</u>		<u>126,462</u>
Total assets less current liabilities			<u>708,909</u>		<u>538,829</u>
Creditors: amounts falling due after more than one year	18		(250,085)		(261,740)
Net assets			<u>458,824</u>		<u>277,089</u>
Income funds					
Unrestricted funds			458,824		277,089
			<u>458,824</u>		<u>277,089</u>

The financial statements were approved by the board of directors and authorised for issue on 20 November 2017 and are signed on its behalf by:



Mr M Bell
Chairman



Mr J Henning
Vice Chairman

Company Registration No.
NI035855

STATEMENT OF CASH FLOWS	Notes	2017		2016	
		£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	22		(128,803)		(216,912)
Investing activities					
Purchase of tangible fixed assets		-		(3,823)	
Purchase of investments		(200,000)		-	
Interest received		22,259		14,644	
Net cash (used in)/generated from investing activities			(177,741)		10,821
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(306,544)		(206,091)
Cash and cash equivalents at beginning of year			445,145		651,236
Cash and cash equivalents at end of year			138,601		445,145

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Company information

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

1.1 Accounting convention

The accounts have been prepared in accordance with 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)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

1.4 Incoming resources

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

The levy rates charged to producers are as follows:

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

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

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

1.5 Resources expended

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

Grants payable to third parties are within charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive grants.

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.

1.6 Tangible fixed assets

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

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

Fixtures and fittings:
20% straight line

Computers:
20% straight line

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

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

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

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

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

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

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

Basic financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

1.11 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.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

3 DONATIONS	2017	2016
	£	£
Donations and gifts	501,685	434,927
Grant Income	53,064	49,753
	<u>554,749</u>	<u>484,680</u>
Donations and gifts		
Milk levy	294,934	263,650
Beef Levy	132,648	95,530
Sheep Levy	20,062	23,838
Sheep - Contribution from Livestock and Meat Commission	20,000	20,000
AHWNI	34,041	31,909
	<u>501,685</u>	<u>434,927</u>
<p>AgriSearch collect funds for AHWNI which are then paid across to AHWNI. These funds have been included with income and expenditure in the financial statements.</p>		
Grants receivable for core activities		
DAERA Research Challenge Fund	39,115	49,753
EU Horizon 2020	13,949	-
	<u>53,064</u>	<u>49,753</u>

4 INVESTMENTS	2017	2016
	£	£
Income from unlisted investments	20,799	14,215
Interest receivable	1,460	429
	<u>22,259</u>	<u>14,644</u>

5 RAISING FUNDS	2017	2016
	£	£
Investment management	8,334	-
	<u>8,334</u>	<u>-</u>

6 CHARITABLE ACTIVITIES**Charitable expenditure****2017****2016****£****£****£**

Staff costs	60,748	60,748	29,464
Dissemination costs	21,491	21,491	26,642
AHWNI funding	33,436	33,436	31,908
	<u>115,675</u>	<u>115,675</u>	<u>88,014</u>
Grant funding of activities	247,867	247,867	412,628
Share of support costs (see note 8)	79,787	79,787	92,388
Share of governance costs (see note 8)	8,902	8,902	7,103
	<u>452,231</u>	<u>452,231</u>	<u>600,133</u>
Analysis by fund			
Unrestricted funds	<u>452,231</u>	<u>452,231</u>	
	<u>452,231</u>	<u>452,231</u>	
For the year ended 31 March 2016			
Unrestricted funds	<u>600,133</u>		<u>600,133</u>
	<u>600,133</u>		<u>600,133</u>

7 GRANTS PAYABLE**2017****2016****£****£**

Grants to institutions (9 grants):			
Opening commitments		774,351	871,414
Agri-Food & Biosciences Institute		257,395	396,801
Animal Health & Welfare Northern Ireland		-	75,000
Abacus Bio		-	60,000
Queen's University Belfast		-	10,000
Moredun Research Institute		-	786
Increased project in year		45,366	4,411
Cancelled projects		-	(128,882)
Paid during the year		<u>(430,934)</u>	<u>(515,179)</u>
Closing commitments		<u>646,178</u>	<u>774,351</u>

8 SUPPORT COSTS	Support costs	Governance costs	2017	2016	Basis of allocation
	£	£	£	£	
Staff costs	43,148	-	43,148	15,273	Charitable activities
Depreciation	765	-	765	209	Charitable activities
Rent	1,916	-	1,916	4,163	Charitable activities
Management charge	9,891	-	9,891	36,155	Charitable activities
Chairman's honorarium	-	-	-	8,348	Charitable activities
VAT	6,475	-	6,475	13,034	Charitable activities
Printing & postage	2,694	-	2,694	3,013	Charitable activities
Insurance	2,004	-	2,004	1,500	Charitable activities
Computer costs	200	-	200	1,090	Charitable activities
Website costs	1,982	-	1,982	229	Charitable activities
Travel	56	-	56	4,372	Charitable activities
Other	10,656	-	10,656	5,002	Charitable activities
Audit fees	-	3,750	3,750	3,750	Governance
Advisory support costs	-	5,152	5,152	3,353	Governance
	<u>79,787</u>	<u>8,902</u>	<u>88,689</u>	<u>99,491</u>	
Analysed between					
Charitable activities	<u>79,787</u>	<u>8,902</u>	<u>88,689</u>	<u>99,491</u>	

Governance costs includes payments to the auditors of £3,750 (2016- £3,750) for audit fees.

9 NET MOVEMENT IN FUNDS

2017
£

2016
£

Net movement in funds is stated after charging/(crediting):

Fees payable to the company's auditor for the audit of the company's financial statements	3,750	3,750
Depreciation of owned tangible fixed assets	765	209
	<u>765</u>	<u>209</u>

10 TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration during the year (2016: £Nil). The chairman received an honorarium of £Nil (2016: £8,348). Trustees were reimbursed a total of £2,911 travelling expenses (2016- £1,929).

11 EMPLOYEES

2017**2016**

Number of employees

The average monthly number of employees during the year was:

	Number	Number
Field Officer	1	1
Project Manager	1	-
General Manager	1	-
	<u>3</u>	<u>1</u>

Employment costs

	£	£
Wages and salaries	98,946	42,954
Social security costs	4,950	1,783
	<u>103,896</u>	<u>44,737</u>

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

12 NET GAINS/(LOSSES) ON INVESTMENTS

2017**2016**

	£	£
Revaluation of investments	<u>65,292</u>	<u>(18,429)</u>

13 TANGIBLE FIXED ASSETS	Fixtures & fittings	Computers	Total
	£	£	£
Cost			
At 1 April 2016	335	16,201	16,536
At 31 March 2017	335	16,201	16,536
Depreciation and impairment			
At 1 April 2016	16	12,906	12,922
Depreciation charged in the year	67	698	765
At 31 March 2017	83	13,604	13,687
Carrying amount			
At 31 March 2017	252	2,597	2,849
At 31 March 2016	319	3,295	3,614

14 FIXED ASSET INVESTMENTS

Unlisted investments

	£
Cost or valuation	
At 31 March 2017	408,753
Additions	200,000
Valuation changes	65,292
At 31 March 2017	674,045
Carrying amount	
At 31 March 2017	674,045
At 31 March 2016	408,753

Fixed asset investments revalued

Investments are included at revalued amounts with the basis of the valuation being the current market value of the portfolios as at 31 March 2017 being £676,983 of which £2,938 is held as cash. The historical cost of the investment is £550,000. Investments are all in marketable securities and can be liquidated at any time as required.

15 FINANCIAL INSTRUMENTS**2017****2016****£****£****Carrying amount of financial assets**

Debt instruments measured at amortised cost

267,655

157,954

Equity instruments measured at cost less impairment

674,045

408,753

Carrying amount of financial liabilities

Measured at amortised cost

664,071

800,638

16 DEBTORS**2017****2016****£****£****Amounts falling due within one year**

Trade debtors

208,538

100,991

Other debtors

59,117

56,963

Prepayments and accrued income

42,382

64,343

310,037

222,297

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**2017****2016****£****£**

Other taxation and social security

2,637

2,082

Trade creditors

2,178

10,931

Other creditors

401,769

520,492

Accruals and deferred income

10,039

7,475

416,623

540,980

18 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**2017****2016****£****£**

Other creditors

250,085

261,740

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS**Unrestricted funds****Total****£****£**

Fund balances at 31 March 2017 are represented by:

Tangible assets	2,849	2,849
Investments	674,045	674,045
Current assets/(liabilities)	32,015	32,015
Non current liabilities	(250,085)	(250,085)
	<u>458,824</u>	<u>458,824</u>

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS**2017****2016****£****£**

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

Within one year	-	688
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21 RELATED PARTY TRANSACTIONS**Unlisted investments****£**

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

A total amount of £5,052 was paid during the year to the following members of the Sheep Advisory Committee; Samuel Wharry (deceased) and Crosby Cleland, along with the following member of the Board of Trustees; John Martin. (2016: £6,713 was paid to the following members of the Sheep Advisory Committee; Samuel Wharry (deceased), Seamus Maginn and Crosby Cleland; the Beef Advisory Committee; Sam Chesney along with the following members of the Board of Trustees; John Martin and Allister Mitchell.)

These members were involved in on farm research and received payments from AgriSearch for the project.

John Henning, AgriSearch Trustee, and Sam Chesney, AgriSearch Beef Committee Vice-Chair, both sit on the AHWNI Board. AgriSearch collected levies of £34,041 on behalf of AHWNI and made payments to AHWNI of £33,436 during the year. The balance owing to AHWNI at the year end was £5,678 (2016 - £7,884).

22 CASH GENERATED FROM OPERATIONS**2017****2016****£****£**

Surplus/(deficit) for the year	181,735	(119,238)
Adjustments for:		
Investment income recognised in statement of financial activities	(22,259)	(14,644)
Fair value gains and losses on investments	(65,292)	18,429
Depreciation and impairment of tangible fixed assets	765	209
Movements in working capital:		
(Increase) in debtors	(87,740)	(7,553)
(Decrease) in creditors	(136,012)	(94,115)
Cash absorbed by operations	<u>(128,803)</u>	<u>(216,912)</u>





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20 Years of Farmer
Funded Research
1997-2017