

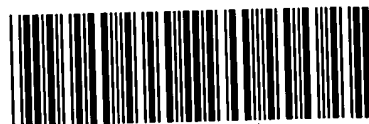
Registered number: 08811248  
Charity number: 1155563

**Innovation for Agriculture**

Trustees report and financial statements

For the year ended 31 December 2016

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 **DAINS**  
ACCOUNTANTS

**Innovation for Agriculture**  
**(A company limited by guarantee)**

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**Innovation for Agriculture**  
**(A company limited by guarantee)**

**Reference and administrative details of the Charity, its trustees and advisers**  
**For the year ended 31 December 2016**

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<b>Trustees</b>	H G Cator (Royal Agricultural Society of England), Chairman R N F Drewett (The Royal Bath & West of England Society) L I Greenlees (Suffolk Agricultural Association) (resigned 21 June 2016) P J Westaway A W Ward
<b>Company registered number</b>	08811248
<b>Charity registered number</b>	1155563
<b>Registered office</b>	Stoneleigh Park Kenilworth Warwickshire CV8 2LZ
<b>Chief executive officer</b>	D A Gardner
<b>Independent auditor</b>	Dains LLP 15 Colmore Row Birmingham B3 2BH
<b>Bankers</b>	Barclays Bank plc 1 Princes Street Ipswich Suffolk IP1 1PB
<b>Solicitors</b>	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF

**Innovation for Agriculture**  
**(A company limited by guarantee)**

**Chief Executive's statement**  
**For the year ended 31 December 2016**

Innovation for Agriculture continued to make great progress throughout 2016 and we would like to thank all those who have supported us including our funders and sponsors, our 16 member Societies, the European Commission, our project partners across Europe and our commercial customers.

Our work continues to make an impact on the environment and animal welfare as well as helping farmers improve their businesses. We are focussed on delivering "win-win" scenarios for all those who engage with us.

Our most significant activity was focussed on delivering our EU Horizon 2020 project 4D4F – Data Driven Dairy Decisions for Farmers. This project is a partnership of 16 organisations from 9 countries across Europe. It promotes the uptake of new sensor technologies for dairy cows and seeks to accelerate their further development. These technologies have a significant impact on both farm performance and cow welfare. Managing 16 partners across the continent has been challenging and we have been on a steep learning curve but we are making progress and engaging well with the industry.

Brexit has created some uncertainty for us and we are unsure whether the UK will continue to be part of the European Science programme after 2019. Our expectations are that we will be unless the negotiations turn acrimonious and we have continued to build and develop relationships across Europe. We have submitted further bids for funding along with our partners ZLTO in Holland. We think Brexit may turn out to be an opportunity for us if the Government choose to put more resource into knowledge transfer which is perceived as a major weakness in UK agriculture.

We have worked with the National Federation of Young Farmers Clubs to deliver a programme of events on precision livestock farming. This programme covers all species and once again we aim to improve animal welfare as well as farm performance. The programme has been well received and will continue throughout 2017.

In September we were delighted to receive funding from the Esmeé Fairbairn Foundation to develop a programme on antibiotic reduction. This important issue is now top of the agenda and we look forward to doing our part to help farmers rise to the challenge. The funding will allow the team to grow in 2017.

Our soils programme has continued throughout the year. Our excellent team have a deep understanding of all the issues associated with healthy soils and really enthuse farmers about the bugs that live in the soil. Healthy soils not only improve crop performance but also have an impact on the quality of our fresh waters and capture carbon. This subject is now recognised as critical to the future of the industry. Sustainable soil management is no longer viewed as sufficient, we need restorative management and our team have a good understanding of the techniques involved in delivering success.

2017 promises to be another busy year for us. We expect to achieve further growth and we would once again like to thank all those who have supported us to date.

Name David Gardner  
Chief Executive

Date



**Innovation for Agriculture**  
**(A company limited by guarantee)**

**Trustees' report**  
**For the year ended 31 December 2016**

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The Trustees (who are also Directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Innovation for Agriculture (the Charity) for the year ended 31 December 2016. The Trustees confirm that the Annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Since the Charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

**Objectives and Activities**

**a. Policies and objectives**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning their future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The charitable objects of the Charity are the advancement and promotion, for the public benefit, of agriculture and horticulture including without limit:

- a) The promotion of sustainable intensification and efficient food production;
- b) The conservation, protection, research and development of agriculture with particular emphasis on the physical and natural environment, soil health and erosion, greenhouse gas emissions, diffuse pollution and biodiversity;
- c) The advancement of education and investment in new knowledge and dissemination of best farming practices; and
- d) The improvement of farm animal health and welfare.

**b. Strategies for achieving objectives**

The Charity was founded in December 2013 and at the end of its third full year of operation is becoming established. 2016 was another year of successful growth. During 2016 the Charity continued to deliver its Soil & Water and Precision Livestock programmes and successfully attracted funding to establish a new work stream on Antibiotic Reduction which will facilitate expansion during 2017. In the medium term the objective is to continue to raise funding to facilitate the creation of new areas of activity.

**c. Activities for achieving objectives**

To achieve its charitable aims IfA stages training events on topics covering Soil Enrichment and Precision Livestock Farming & Animal Welfare. When organising such events it ensures that they embrace, promote and advance agricultural education and best practice, enable the establishment of networks for the transfer of knowledge with the overall aim of contributing to the well-being and prosperity of the Agricultural community.

It is the Charity's intention that it will continue to develop and enhance its network of agricultural societies around England to improve the communication between the technical research institutions and farmers relating to agricultural and horticultural issues. During 2016 Cheshire Agricultural Society joined Innovation for Agriculture's network to bring the total number of societies participating in the initiative to 16.

**d. Main activities undertaken to further the charity's purposes for the public benefit**

As identified above the Charity arranges training events on topics covering Soil Enrichment and Precision

**Innovation for Agriculture**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 December 2016**

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Livestock Farming. When organising such events it ensures that they embrace, promote and advance agricultural education and best practice, to enable the enhancement of networks for the transfer of knowledge. The events lead to an improvement in animal welfare, soil health and freshwater quality.

**Achievements and performance**

**a. Review of activities**

During 2016 the most significant activity has been focused on delivering the 4D4F project on dairy cow sensors and their role in farm decision making. This emerging technology has the potential to improve farm efficiency and make a real improvement to animal welfare. Working with 16 partners in nine countries, the Charity has created a network to encourage uptake and further development of these technologies.

The Charity also delivered a programme of workshops on Precision Livestock Farming in collaboration with the National Federation of Young Farmers Clubs. This programme is supported by The Prince's Countryside Fund and covers all species.

The Soil and Water programme has also made good progress throughout 2016. Working with The Crown Estates and The National Trust it has engaged with a wide group of farmers to help them improve their approach to soil management with a focus on the living biology in the soil. The programme is also part of the Agrocycle Horizon 2020 project which is investigating the impact of digestate on soil biology.

**Financial review**

**a. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**b. Reserves policy**

In the medium term, IfA aspires to hold reserves equivalent to 50% of annual operating costs and for the Charity to move its focus to generating an increasing proportion of its income from operations rather than relying entirely on fund-raising from other charities and institutions. The Trustees are pleased with what has been achieved in this regard in the three periods of operation.

At 31 December 2016 the total free reserves amounted to £58,681 which are expected to produce negligible income.

**c. Principal funding**

Funding is generated from other charities, the European Horizon 2020 Science Programme and a growing number of commercial customers.

**d. Material investments policy**

IfA held no investments at 31 December 2016.

**Structure, governance and management**

**a. Constitution**

Innovation for Agriculture ("IfA" or the "Charity") is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 11 December 2013. Under Section 60 of the Companies Act 2006 it is exempt from the requirement to use the word "limited" after its name. It is registered as a charity with the Charity Commission. Subject to the approval of the Trustees, membership is open to all and at 31 December 2016 there were three members (2015: three members), each of whom has agreed to contribute £10 in the event of the Charity winding up.

#### **b. Method of appointment or election of Trustees**

The initial Trustees were nominated by the sponsoring agricultural societies. As set out in the Articles of Association, the Chairman of the Board of Trustees is appointed by the other Trustees and, as for all other Trustees, serves until he is required to retire by rotation at the Annual General Meeting. Trustees have no formal service agreements. The Board meets at least quarterly to conduct the business of the Charity. Two independent Trustees also form part of the Board, each of whom brings relevant experience to assist the Charity with the achievement of its objectives.

#### **c. Policies adopted for the induction and training of Trustees**

The Trustees appointed to date are all experienced directors and have needed no additional training. It is intended that the Trustees will be briefed on changes to the legal and compliance environment on at least an annual basis.

#### **d. Pay policy for senior staff**

The Charity has entered into an agreement to pay the Chairman a fee of up to £900 per month plus reasonable travel expenses for his services assisting with the raising of funds on behalf of the Charity. No other Trustees receive any remuneration.

#### **e. Organisational structure and decision making**

The Charity has a very flat management structure with a Chief Executive reporting to the Chairman and five other employees.

#### **f. Related party relationships**

The Charity has no subsidiaries or associated companies.

The Chairman and Chief Executive of the Charity are also Chairman and Chief Executive respectively of the RASE which is also a member of IfA.

#### **g. Risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

#### **h. Trustees' indemnities**

The Charity has purchased Professional Indemnity Insurance which protects the Charity from loss arising from the neglect or default of its Trustees and employees. The Charity also holds Directors & Officers insurance to

cover the cost of compensation for alleged wrongful acts.

## **Plans for future periods**

### **a. Future developments**

The Charity will, as funding allows, continue to develop its resources to build an extension service to improve the communication between the technical research institutions and farmers relating to agricultural and horticultural issues.

## **Members' liability**

The Members of the Charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up.

## **Trustees' responsibilities statement**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



**Innovation for Agriculture**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 December 2016**

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**Disclosure of information to auditor**

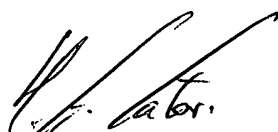
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

**Auditor**

The auditor, Dains LLP, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report was approved by the Trustees on 10 July 2017 and signed on their behalf by:

  
\_\_\_\_\_  
**H G Cator**  
**Chairman**

**Independent auditor's report to the members of Innovation for Agriculture**

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We have audited the financial statements of Innovation for Agriculture for the year ended 31 December 2016 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Trustees and auditor**

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

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

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

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

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

**Independent auditor's report to the members of Innovation for Agriculture**

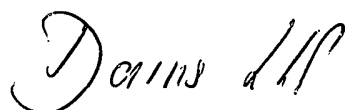
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**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham  
10 July 2017

**Innovation for Agriculture**  
**(A company limited by guarantee)**

**Statement of financial activities**  
**(incorporating income and expenditure account)**  
**For the year ended 31 December 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>Income and endowments from:</b>					
Donations and grants	2	117,075	194,039	311,114	250,460
Charitable activities	3	41,174	-	41,174	33,611
<b>Total income and endowments</b>		<b>158,249</b>	<b>194,039</b>	<b>352,288</b>	<b>284,071</b>
<b>Expenditure on:</b>					
Raising funds	4	58,494	-	58,494	63,407
Charitable activities	5,6,7	90,686	194,039	284,725	181,035
<b>Total expenditure</b>	8	<b>149,180</b>	<b>194,039</b>	<b>343,219</b>	<b>244,442</b>
<b>Net income before other recognised gains and losses</b>		<b>9,069</b>	<b>-</b>	<b>9,069</b>	<b>39,629</b>
<b>Net movement in funds</b>		<b>9,069</b>	<b>-</b>	<b>9,069</b>	<b>39,629</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		49,612	-	49,612	9,983
<b>Total funds carried forward</b>		<b>58,681</b>	<b>-</b>	<b>58,681</b>	<b>49,612</b>

All activities relate to continuing operations.

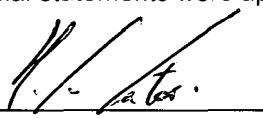
The notes on pages 13 to 22 form part of these financial statements.

**Innovation for Agriculture**  
**(A company limited by guarantee)**  
**Registered number: 08811248**

**Balance sheet**  
**As at 31 December 2016**

	Note	£	2016 £	£	2015 £
<b>Current assets</b>					
Debtors	12	34,622		7,725	
Cash at bank and in hand		670,208		224,350	
		<u>704,830</u>		<u>232,075</u>	
<b>Creditors:</b> amounts falling due within one year	13	(646,149)		(157,463)	
<b>Net current assets</b>			<u>58,681</u>		<u>74,612</u>
<b>Total assets less current liabilities</b>			<u>58,681</u>		<u>74,612</u>
<b>Creditors:</b> amounts falling due after more than one year	14		-		(25,000)
<b>Net assets</b>			<u>58,681</u>		<u>49,612</u>
<b>Charity Funds</b>					
Unrestricted funds	15		<u>58,681</u>		<u>49,612</u>
<b>Total funds</b>			<u>58,681</u>		<u>49,612</u>

The financial statements were approved by the Trustees on 10 July 2017 and signed on their behalf, by:

  
**H G Cator**  
**Chairman**

The notes on pages 13 to 22 form part of these financial statements.

**Innovation for Agriculture**  
**(A company limited by guarantee)**

**Cash flow statement**  
**For the year ended 31 December 2016**

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	<b>445,858</b>	117,798
<b>Change in cash and cash equivalents in the year</b>		<b>445,858</b>	117,798
Cash and cash equivalents brought forward		<b>224,350</b>	106,552
<b>Cash and cash equivalents carried forward</b>	18	<b>670,208</b>	224,350

**1. Accounting policies**

**1.1 General information**

Innovation for Agriculture is a charitable company incorporated in England and Wales and registered with the Charity Commission. The address of the registered office is given in the reference and administrative details section of these financial statements. The nature of the Charity's operations and principal activities are detailed in the Trustees Report.

**1.2 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

Innovation for Agriculture meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.3 Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**1.4 Company status**

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

**1.5 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**1. Accounting policies (continued)**

**1.6 Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**1.7 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

**1.8 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.10 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.



**Notes to the financial statements**  
**For the year ended 31 December 2016**

**1. Accounting policies (continued)**

**1.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.12 Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.13 Pensions**

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

**2. Income from donations and grants**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Donations	<b>117,075</b>	<b>-</b>	<b>117,075</b>	250,460
Grants	<b>-</b>	<b>194,039</b>	<b>194,039</b>	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	<b>117,075</b>	<b>194,039</b>	<b>311,114</b>	250,460
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and legacies, £250,460 was to unrestricted funds.

**Innovation for Agriculture**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 December 2016**

**3. Income from charitable activities**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Event income	41,174	-	41,174	31,257
Sponsorship	-	-	-	2,000
Other revenue	-	-	-	354
	<u>41,174</u>	<u>-</u>	<u>41,174</u>	<u>33,611</u>

In 2015, of the total income from charitable activities, £33,611 was to unrestricted funds.

**4. Expenditure on raising funds**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Professional fees	47,694	-	47,694	51,428
Advertising & marketing	-	-	-	1,179
Consultancy	10,800	-	10,800	10,800
	<u>58,494</u>	<u>-</u>	<u>58,494</u>	<u>63,407</u>

In 2015, of the expenditure on raising funds, £63,407 was to unrestricted funds.

**5. Direct costs**

	Total 2016 £	Total 2015 £
Professional fees	22,574	20,138
Event costs	13,483	19,294
Contractors	18,926	5,792
Wages and salaries	166,178	94,137
National insurance	14,472	10,577
Pension cost	1,205	1,161
	<u>236,838</u>	<u>151,099</u>

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**6. Support costs**

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Travel & subsistence	26,793	18,230
Motor expenses	-	1,006
HR costs	6,708	2,382
Bank charges	263	64
Advertising and marketing	2,020	2,260
Telephone	1,693	675
Insurance	2,531	1,170
IT contracts	1,624	948
Printing, stationery and postage	1,975	305
	<b>43,607</b>	<b>27,040</b>

**7. Governance costs**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Auditors' remuneration	3,500	-	3,500	2,500
Auditors' remuneration - non audit	750	-	750	396
Legal and professional	30	-	30	-
	<b>4,280</b>	<b>-</b>	<b>4,280</b>	<b>2,896</b>

**8. Analysis of resources expended by expenditure type**

	<b>Staff costs 2016 £</b>	<b>Other costs 2016 £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Expenditure on raising voluntary income	-	58,494	58,494	63,407
Charitable activities	181,855	98,590	280,445	178,139
Expenditure on governance	-	4,280	4,280	2,896
	<b>181,855</b>	<b>161,364</b>	<b>343,219</b>	<b>244,442</b>

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**9. Analysis of resources expended by activities**

	<b>Activities undertaken directly 2016 £</b>	<b>Support costs 2016 £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Charitable activities	<b>236,838</b>	<b>43,607</b>	<b>280,445</b>	178,139

**10. Net incoming resources/(resources expended)**

This is stated after charging:

	<b>2016 £</b>	<b>2015 £</b>
Auditor's remuneration	<b>4,250</b>	2,896

During the year the Chairman of the Trustees provided his services to the Charity via a service contract to facilitate fund-raising efforts. During the period he was paid £10,800 (2015 - £10,800) plus £1,466 (2015 - £1,231) for travel expense.

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any remuneration (2015 - £NIL).

**Notes to the financial statements**  
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**11. Staff costs**

Staff costs were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>166,178</b>	94,137
Social security costs	<b>14,472</b>	10,577
Other pension costs	<b>1,205</b>	1,161
	<b>181,855</b>	<b>105,875</b>

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

<b>2016</b>	<b>2015</b>
<b>No.</b>	<b>No.</b>
<b>5</b>	<b>3</b>

The average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

<b>2016</b>	<b>2015</b>
<b>No.</b>	<b>No.</b>
<b>4</b>	<b>2</b>

Average headcount expressed as a full time equivalent:

No employee received remuneration amounting to more than £60,000 in either year.

**Remuneration of key management personnel**

Key management personnel are deemed to be those having authority and responsibility delegated to them by the Charity for planning, directing and controlling the activities of the Charity. During 2016 the total amounts paid to key management personnel was £64,280 (2015 - £64,653).

**12. Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>1,886</b>	1,470
Other debtors	<b>15,578</b>	4,703
Prepayments and accrued income	<b>17,158</b>	1,552
	<b>34,622</b>	<b>7,725</b>

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**13. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Other loans (unsecured)	25,000	25,000
Trade creditors	286	208
Other taxation and social security	5,451	-
Deferred income	249,196	80,000
Amounts due to the RASE	33,412	44,659
Other creditors	319,111	-
Accruals	13,693	7,596
	<u>646,149</u>	<u>157,463</u>

**14. Creditors:**  
**Amounts falling due after more than one year**

	2016 £	2015 £
Other loans (unsecured)	-	25,000
	<u>-</u>	<u>25,000</u>

The above unsecured loan from an individual benefactor is interest free and is repayable in February 2017. The benefactor is a Council member of the Royal Agricultural Society of England

**15. Statement of funds**

	Brought Forward £	Income £	Expenditure £	Carried Forward £
<b>Unrestricted funds</b>				
General Funds	49,612	158,249	(149,180)	58,681
<b>Restricted funds</b>				
	Brought Forward £	Income £	Expenditure £	Carried Forward £
H2020 - 4D4F	-	74,299	(74,299)	-
Princes Countryside	-	7,500	(7,500)	-
H2020 - Agrocycle	-	4,577	(4,577)	-
H2020 - RUCAPS	-	190	(190)	-
Linbury	-	42,473	(42,473)	-
Esmee Fairbairn	-	65,000	(65,000)	-
	<u>-</u>	<u>194,039</u>	<u>(194,039)</u>	<u>-</u>
Total of funds	<u>49,612</u>	<u>352,288</u>	<u>(343,219)</u>	<u>58,681</u>

Notes to the financial statements  
For the year ended 31 December 2016

Summary of funds

	Brought Forward £	Income £	Expenditure £	Carried Forward £
General funds	49,612	158,249	(149,180)	58,681
Restricted funds	-	194,039	(194,039)	-
	<u>49,612</u>	<u>352,288</u>	<u>(343,219)</u>	<u>58,681</u>

16. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Current assets	144,426	560,403	704,829	232,074
Creditors due within one year	(85,745)	(560,403)	(646,148)	(157,462)
Creditors due in more than one year	-	-	-	(25,000)
	<u>58,681</u>	<u>-</u>	<u>58,681</u>	<u>49,612</u>

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	9,069	39,629
<b>Adjustment for:</b>		
(Increase)/decrease in debtors	(26,897)	4,871
Increase in creditors	463,686	73,298
<b>Net cash provided by operating activities</b>	<u>445,858</u>	<u>117,798</u>

18. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	147,331	224,350
Cash held for grant	522,877	-
<b>Total</b>	<u>670,208</u>	<u>224,350</u>

**19. Pension commitments**

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £1,205 (2015 - £1,161). Contributions totalling £413 (2015 - £nil) were payable to the fund at the balance sheet date and are included in creditors

**20. Related party transactions**

The Charity is controlled by the Directors (the Trustees), whose names are shown on page 1. The Charity has paid £767 (2015 - £691) for Professional Indemnity Insurance. This cover protects the Charity from losses arising from the neglect or default of Trustees and seconded employees. It also indemnifies the Trustees or other officials against the consequences of any neglect or default on their part.

During the year the Charity entered into the following transactions with entities that are regarded as related parties due to their relationship with one or more of the Trustees:

By the Royal Agricultural Society of England

Secondment of staff at cost

Provision of rent free office space

An interest free loan from a Council Member of the Royal Agricultural Society of England