

Registered number: 08811248
Charity number: 1155563

Innovation for Agriculture

Trustees Report and Financial Statements

For the Year Ended 31 December 2017



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 2017

Trustees	H G Cator (Royal Agricultural Society of England), Chairman until 31 July 2017 (resigned 22 August 2017) R N F Drewett (The Royal Bath & West of England Society) D R Galbraith (appointed 4 July 2017) P J Westaway, Chairman from 1 August 2017 A W Ward C W Tufnell (appointed 1 August 2017)
Company registered number	08811248
Charity registered number	1155563
Registered office	Stoneleigh Park Kenilworth Warwickshire CV8 2LZ
Chief executive officer	D A Gardner
Independent auditor	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Barclays Bank plc 1 Princes Street Ipswich Suffolk IP1 1PB
Solicitors	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF

Innovation for Agriculture
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Chairman's Statement
For the Year Ended 31 December 2017

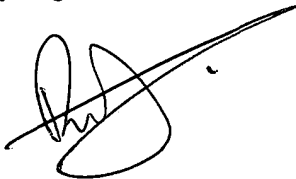
The chairman presents his statement for the period.

It was a great honour for me to take over the chairmanship of IfA on August 1st 2017. I have been proud to be a trustee for several years and to witness the incredible growth and vision that was led by my predecessor Henry Cator.

I remain convinced that IfA has an incredibly important role to play in UK agriculture both before and after Brexit, our industry is in for inevitable change, only the scale is debatable. Therefore an independent organisation like IfA, backed by our member Show societies is a unique and essential part of farming going forward.

The period these accounts refer to have seen staggering growth in both funding and delivery, I would like to take this opportunity to thank all the Team for their hard work and enthusiasm.

I would also like to acknowledge the incredible work that our CEO David Gardner has done in his last full year before a much earned retirement, he has built IfA into an incredible organisation and should be rightly proud of everything he has done. I would like to welcome our new CEO Andrew Lazenby to his role.



Name P J Westaway
Chairman

Date 11 June 2018

Innovation for Agriculture
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Chief Executive's statement
For the Year Ended 31 December 2017

Innovation for Agriculture has enjoyed another successful year in 2017 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 technical programmes continue to make an impact on farmer's livelihoods, on the environment and on animal welfare. We focus on delivering win, win scenarios for the farmers who engage with us.

Our EU Horizon 2020 project 4D4F – Data Driven Dairy Decisions for Farmers - completed its 18 month review in November and is now into its final year. The partnership of 15 organisations across Europe promotes the uptake of sensor technologies on dairy farms and seeks to accelerate their further development. Managing 16 partners across Europe has been a challenge but after a tricky start the project is now flying and we were able to demonstrate some fantastic case studies to the Commission where we have made a significant impact.

Innovation for Agriculture is now well embedded into the European Science programme. We are part of four further projects and have a huge network of organisations we work with on new project proposals. The fog does appear to be clearing on our future involvement in this programme post Brexit. We are now fairly certain we will be involved in new project proposals right through the transition period to the end of 2020 and it seems highly likely a deal will be done with the EU that will include our involvement into the long term future.

Our Antibiotics programme that is sponsored by the Esmeé Fairbairn Foundation has developed well throughout 2017 with two excellent conferences delivered as well as the beginning of a series of workshops that will run throughout 2018 and into 2019. The issue remains at the top of the agenda but we sense that it isn't hasn't really hit the farming community's radar yet. We are sure that will change. The need to remove the antibiotic critical for human medicine from our farms is pressing and we know of farmers who have successfully done so. Our role is to help others follow suit.

We are very proud of our soils programme. It successfully brings together soil biology with soil structure and soil chemistry and really engages farmers. Our enthusiastic team receive outstanding feedback on the workshops we deliver and as the issue has risen up the agenda we are finding our events are oversubscribed. We look forward to continuing to help our farmers improve the sustainability of their soil management.

2018 has started well for Innovation for Agriculture with a number of significant projects joining our portfolio of activities early in the year. The French led Nefertiti Farm Demonstration project started on the 1st January, we have received further funding to develop additional projects within the soils and antibiotics programmes and also funding to develop communities of practice to share knowledge. Our success in securing these projects means that Innovation for Agriculture will grow again in 2018 and as I write we are addressing the need to recruit.

This will be my final annual report as I am retiring in May. I am now part way through a very thorough handover to my successor, Andrew Lazenby, who has joined us from Farmcare, the Wellcome Trust Farms. The future is exciting for Innovation for Agriculture with significant change expected in the farming sector as we leave the EU. I am confident that under Andrew's leadership Innovation for Agriculture can make a major contribution to helping farmers adapt to that change. I will watch with interest!

D A Gardner
Chief executive officer

11 June 2018

Innovation for Agriculture
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Trustees' Report
For the Year Ended 31 December 2017

The Trustees present their annual report together with the audited financial statements of for the year 1 January 2017 to 31 December 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company'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) as amended by Update Bulletin 1 (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 fourth full year of operation is becoming established both as an entity and within the market landscape. 2017 was another year of successful growth. During 2017 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.

As an environmental background to this growth, as we enter 2018, we face more uncertainty than ever before in both European Union funding and in UK Government Policy. Whilst we are in growth and continuing to develop all of our work programmes it is crucial that we are mindful of tougher times ahead and that we continue to manage the cost side of the organisation prudently.

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. During 2017 no societies joined or left.

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, Precision Livestock Farming and antimicrobial resistance and the appropriate use of Antibiotics. 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. During 2018 and the early part of 2019 we will engage in a new work-stream this is likely to be closer to social sciences and the human impact of farming on populations and on farmers. We see this as key to contributing to the Wellbeing of Agriculture and its practitioners going forwards

Achievements and performance

a. Review of activities

During 2017 the most significant activity has been focused on delivering the main body of our Horizon 2020 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 sixteen partners in nine countries, the Charity has created a network to encourage uptake and further development of these technologies. This programme will end in 2018 but it lives on in part as a small but significant part of the Nefertiti project funded by the European commission. 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 2017. 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. We have several other projects submitted to the EU for funding in 2018 and we will receive notice as to whether these have been funded halfway through the year.

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 four periods of operation.

At 31 December 2017 the total free reserves amounted to £79,668 (2016: £58,682) which are expected to produce negligible income.

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Trustees' Report (continued)
For the Year Ended 31 December 2017

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 2017.

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 2017 there were six members (2016: three members), each of whom has agreed to contribute £10 in the event of the Charity winding up. We hope to increase this amount during 2018.

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 £900 per month plus reasonable travel expenses for his services assisting with the raising of funds on behalf of the Charity, and to reimburse his company for loss of earnings. 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 ten other employees.

f. Related party relationships

The Charity has no subsidiaries or associated companies.

The Chief Executive of the Charity is also the Chief Executive of the Royal Agricultural Society of England – a member of the Charity. The Chairman of RASE is also a Board Member of the Charity.

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.

Innovation for Agriculture
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Trustees' Report (continued)
For the Year Ended 31 December 2017

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.

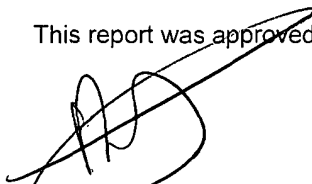
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

This report was approved by the Trustees, on 11 June 2018 and signed on their behalf by:



P. J. Westaway
Chairman

Innovation for Agriculture
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Independent Auditor's Report to the Members of Innovation for Agriculture

Opinion

We have audited the financial statements of Innovation for Agriculture (the 'Charity') for the year ended 31 December 2017 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

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 opinions we have formed.

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included

Independent Auditor's Report to the Members of Innovation for Agriculture

in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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Independent Auditor's Report to the Members of Innovation for Agriculture

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
11 June 2018

Innovation for Agriculture
(A company limited by guarantee)

Statement of Financial Activities
Incorporating Income and Expenditure Account
For the Year Ended 31 December 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income and endowments from:					
Donations and grants	2	87,200	368,617	455,817	311,114
Charitable activities	3	60,618	-	60,618	41,174
Total income and endowments		147,818	368,617	516,435	352,288
Expenditure on:					
Raising funds	4	54,029	-	54,029	58,494
Charitable activities	5,6,7	58,040	383,079	441,119	284,725
Total expenditure	8	112,069	383,079	495,148	343,219
Net income / (expenditure) before transfers		35,749	(14,462)	21,287	9,069
Transfers between Funds	14	(14,462)	14,462	-	-
Net income before other recognised gains and losses		21,287	-	21,287	9,069
Net movement in funds		21,287	-	21,287	9,069
Reconciliation of funds:					
Total funds brought forward		58,681	-	58,681	49,612
Total funds carried forward		79,968	-	79,968	58,681

All activities relate to continuing operations.

The notes on pages 15 to 26 form part of these financial statements.

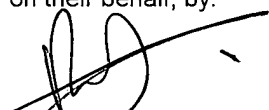
Innovation for Agriculture
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Registered number: 08811248

Balance Sheet
As at 31 December 2017

	Note	£	2017 £	£	2016 £
Current assets					
Debtors	12	42,283		34,622	
Cash at bank and in hand		163,717		670,208	
		<u>206,000</u>		<u>704,830</u>	
Creditors: amounts falling due within one year	13	(126,032)		(646,149)	
Net current assets			<u>79,968</u>		<u>58,681</u>
Net assets			<u>79,968</u>		<u>58,681</u>
Charity Funds					
Unrestricted funds	14		<u>79,968</u>		<u>58,681</u>
Total funds			<u>79,968</u>		<u>58,681</u>

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 11 June 2018 and signed on their behalf, by:


 P J Westaway
 Chairman

The notes on pages 15 to 26 form part of these financial statements.

Innovation for Agriculture
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Statement of Cash Flows
For the Year Ended 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	16	<u>(506,491)</u>	<u>445,858</u>
Change in cash and cash equivalents in the year		(506,491)	445,858
Cash and cash equivalents brought forward		<u>670,208</u>	<u>224,350</u>
Cash and cash equivalents carried forward	17	<u>163,717</u>	<u>670,208</u>

The notes on pages 15 to 26 form part of these financial statements.

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.

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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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 2017

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 legacies

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	87,200	-	87,200	117,075
Grants	-	368,617	368,617	194,039
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	87,200	368,617	455,817	311,114
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2016	117,075	194,039	311,114	
	<hr/>	<hr/>	<hr/>	

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3. Income from charitable activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Event income	60,597	-	60,597	41,174
Other revenue	21	-	21	-
	<u>60,618</u>	<u>-</u>	<u>60,618</u>	<u>41,174</u>
Total 2016	<u>41,174</u>	<u>-</u>	<u>41,174</u>	

4. Expenditure on raising funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Professional fees	43,053	-	43,053	47,694
Advertising & marketing	176	-	176	-
Consultancy	10,800	-	10,800	10,800
	<u>54,029</u>	<u>-</u>	<u>54,029</u>	<u>58,494</u>
Total 2016	<u>58,494</u>	<u>-</u>	<u>58,494</u>	

5. Direct costs

	Total 2017 £	Total 2016 £
Professional fees	42,945	22,574
Event costs	55,261	13,483
Contractors	3,575	18,926
Consultancy	9,213	-
Wages and salaries	257,459	166,178
National insurance	22,715	14,472
Pension cost	2,047	1,205
	<u>393,215</u>	<u>236,838</u>
Total 2016	<u>236,838</u>	

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6. Support costs

	Total 2017 £	Total 2016 £
Travel & subsistence	22,567	26,793
HR costs	5,922	6,708
Bank charges	945	263
Advertising and marketing	3,654	2,020
Telephone	1,710	1,693
Insurance	2,902	2,531
IT contracts	2,532	1,624
Printing, stationery and postage	1,416	1,975
Subscription	1,537	-
	<u>43,185</u>	<u>43,607</u>
Total 2016	<u>43,607</u>	

7. Governance costs

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Auditors' remuneration	3,625	-	3,625	3,500
Auditors' remuneration - non audit	750	-	750	750
Legal and professional	344	-	344	30
	<u>4,719</u>	<u>-</u>	<u>4,719</u>	<u>4,280</u>

8. Analysis of Expenditure by expenditure type

	Staff costs 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	54,029	54,029	58,494
Charitable activities	282,221	154,179	436,400	280,445
Expenditure on governance	-	4,719	4,719	4,280
	<u>282,221</u>	<u>212,927</u>	<u>495,148</u>	<u>343,219</u>
Total 2016	<u>181,855</u>	<u>161,364</u>	<u>343,219</u>	

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9. Analysis of expenditure by activities

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Charitable activities	393,215	43,185	436,400	280,445
Total 2016	236,838	43,607	280,445	

10. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Auditor's remuneration	4,375	4,250

During the year, the Chairmen of the Trustees provided their services to the Charity via a service contract to facilitate fund-raising efforts. During the year they were paid £10,800 (2016 - £10,800).

4 Trustees received reimbursement of expenses amounting to £1,717 (2016 1 Trustee, £1,466 for travel expenses).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no Trustees received any remuneration (2016 - £NIL).

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11. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	257,459	166,178
Social security costs	22,715	14,472
Other pension costs	2,047	1,205
	<u>282,221</u>	<u>181,855</u>

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

	2017 No.	2016 No.
Staff	10	5

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Staff	8.0	4.0

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

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 2017 the total amounts paid to key management personnel was £64,424 (2016 - £64,280).

12. Debtors

	2017 £	2016 £
Trade debtors	912	1,886
Other debtors	-	15,578
Prepayments and accrued income	41,371	17,158
	<u>42,283</u>	<u>34,622</u>

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13. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Other loans (unsecured)	-	25,000
Trade creditors	3,840	286
Other taxation and social security	15,366	5,451
Deferred income	46,946	249,196
Amounts due to the RASE	3,212	33,412
Other creditors	49,822	319,111
Accruals	6,846	13,693
	<u>126,032</u>	<u>646,149</u>

Deferred income

Deferred income at 1 January 2017	249,196
Resources deferred during the year	46,946
Amounts released from previous years	(249,196)
Deferred income at 31 December 2017	<u>46,946</u>

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

14. Statement of funds

Statement of funds - current year

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2017 £
Unrestricted funds					
General Funds	58,681	147,818	(112,069)	(14,462)	79,968

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14. Statement of funds (continued)

Restricted funds

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2017 £
H2020 - 4D4F	-	187,464	(187,464)	-	-
Princes Countryside	-	10,000	(24,462)	14,462	-
H2020 - Agrocycle	-	34,309	(34,309)	-	-
H2020 - RUCAPS	-	2,650	(2,650)	-	-
Linbury	-	47,527	(47,527)	-	-
Esmee Fairbairn	-	86,667	(86,667)	-	-
	-	368,617	(383,079)	14,462	-
Total of funds	58,681	516,435	(495,148)	-	79,968

Statement of funds - prior year

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2016 £
Unrestricted funds					
General Funds	49,612	158,249	(149,180)	-	58,681
	49,612	158,249	(149,180)	-	58,681

Restricted funds

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2016 £
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)	-	-
	-	194,039	(194,039)	-	-
Total of funds	49,612	352,288	(343,219)	-	58,681

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Summary of funds - current year

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2017 £
General funds	58,681	147,818	(112,069)	(14,462)	79,968
Restricted funds	-	368,617	(383,079)	14,462	-
	<u>58,681</u>	<u>516,435</u>	<u>(495,148)</u>	<u>-</u>	<u>79,968</u>

Summary of funds - prior year

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2016 £
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>-</u>	<u>58,681</u>

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Current assets	206,000	-	206,000
Creditors due within one year	(126,032)	-	(126,032)
	<u>79,968</u>	<u>-</u>	<u>79,968</u>

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15. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Current assets	704,829	-	704,829
Creditors due within one year	(646,148)	-	(646,148)
	<u>58,681</u>	<u>-</u>	<u>58,681</u>

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	21,287	9,069
Adjustment for:		
Increase in debtors	(12,161)	(26,897)
(Decrease)/increase in creditors	(515,617)	463,686
Net cash (used in)/provided by operating activities	<u>(506,491)</u>	<u>445,858</u>

17. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	59,976	147,331
Cash held for grant	103,741	522,877
Total	<u>163,717</u>	<u>670,208</u>

18. 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 £2,047 (2016 - £1,205). Contributions totalling £943 (2016 - £413) were payable to the fund at the balance sheet date and are included in creditors.

19. Related party transactions

The Charity is controlled by the Directors (the Trustees), whose names are shown on page 1. The Charity has paid £672 (2016 - £767) 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 was recharged £36,674 (2016: £228,578) from the Royal Agricultural Society of England, a related party due to it being a member of the Charity, for the following:

- Office running costs