

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)

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
(A company limited by guarantee)

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 Esmée 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.

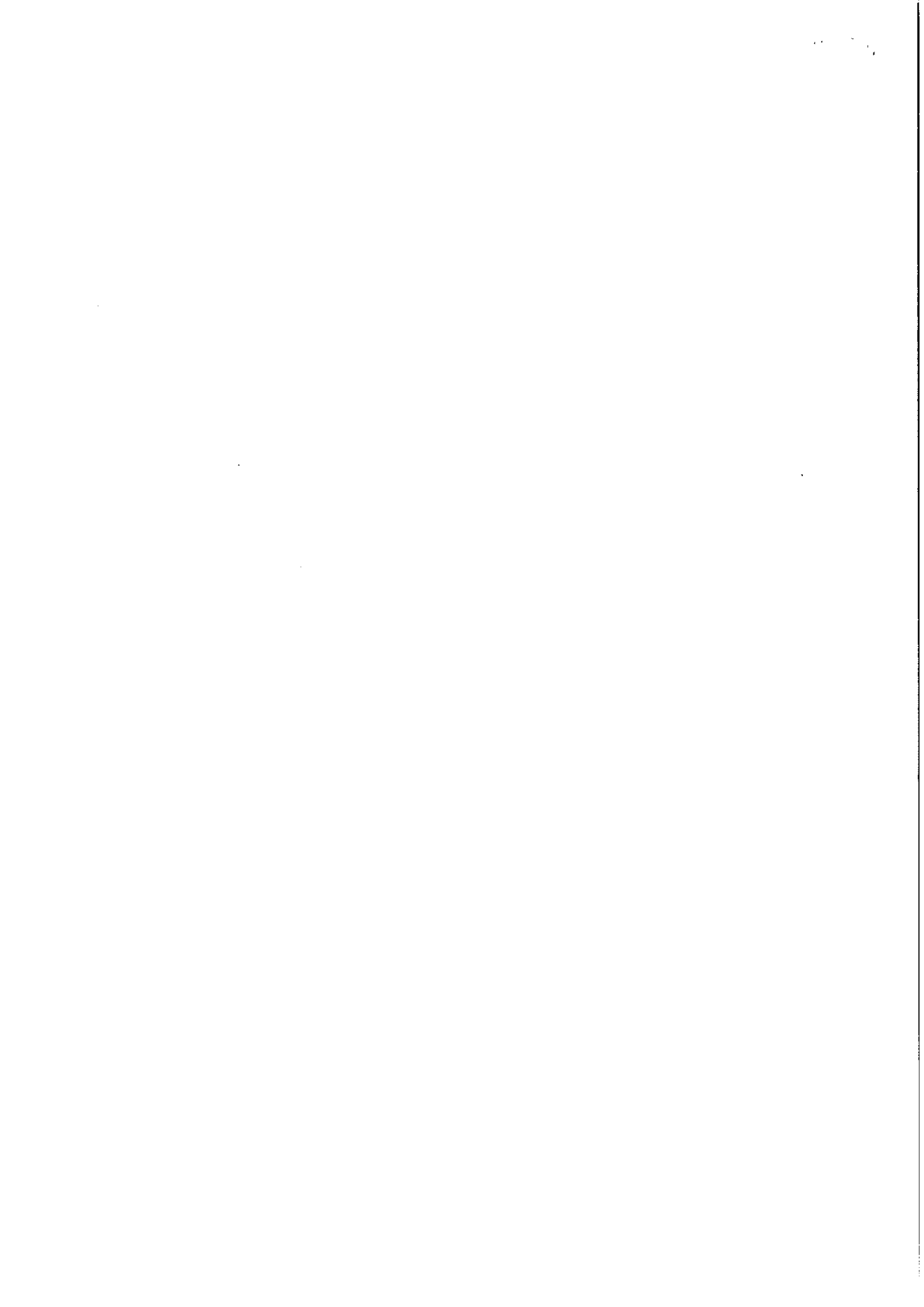
We are very proud of our soils programme. It successfully brings together soil biology with soil structure and soil chemistry and really engages farmers. Our enthusiastic team receive outstanding feedback on the workshops we deliver and as the issue has risen up the agenda we are finding our events are 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
(A company limited by guarantee)

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

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

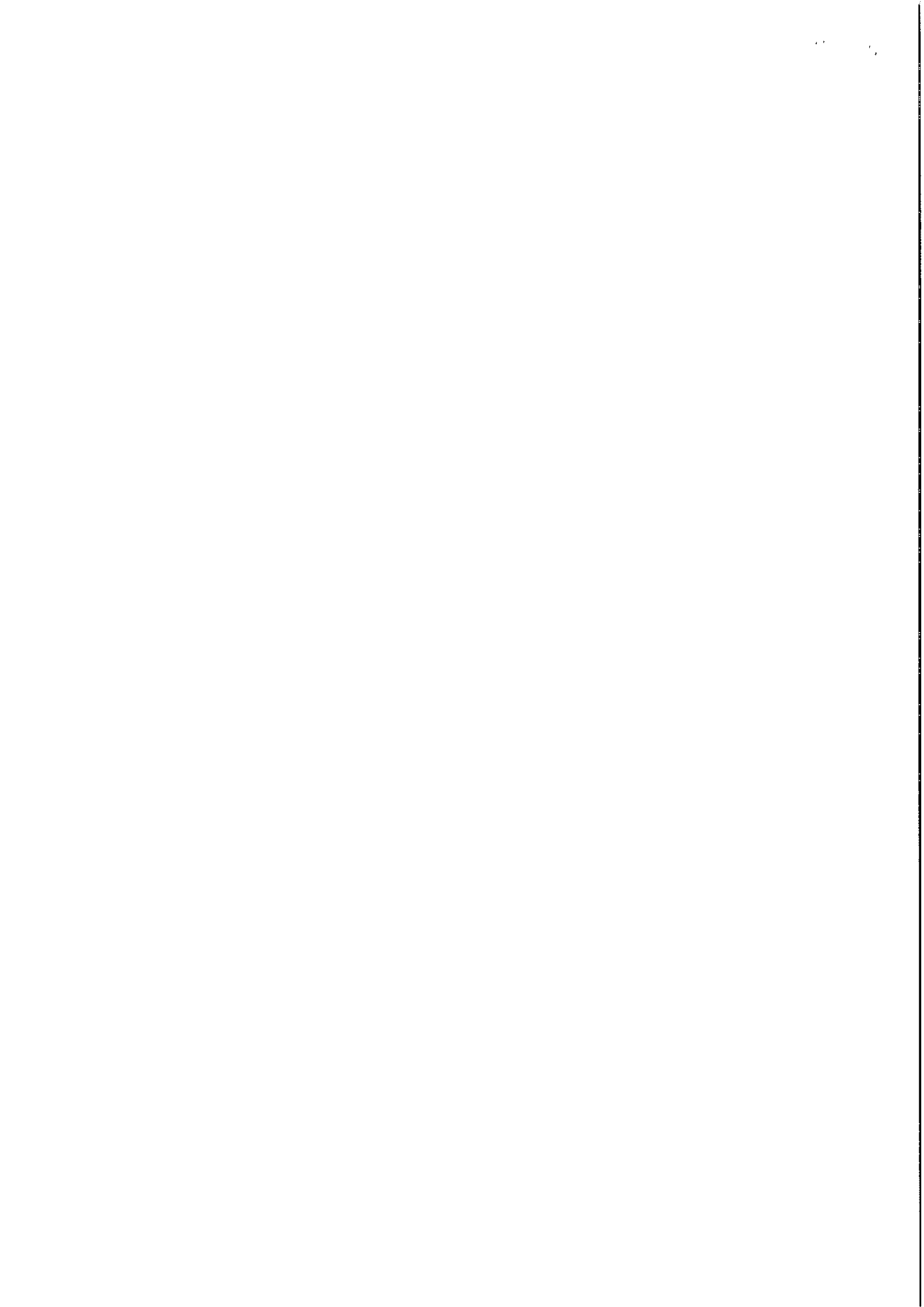
a. Going concern

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.



Innovation for Agriculture
(A company limited by guarantee)

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

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.

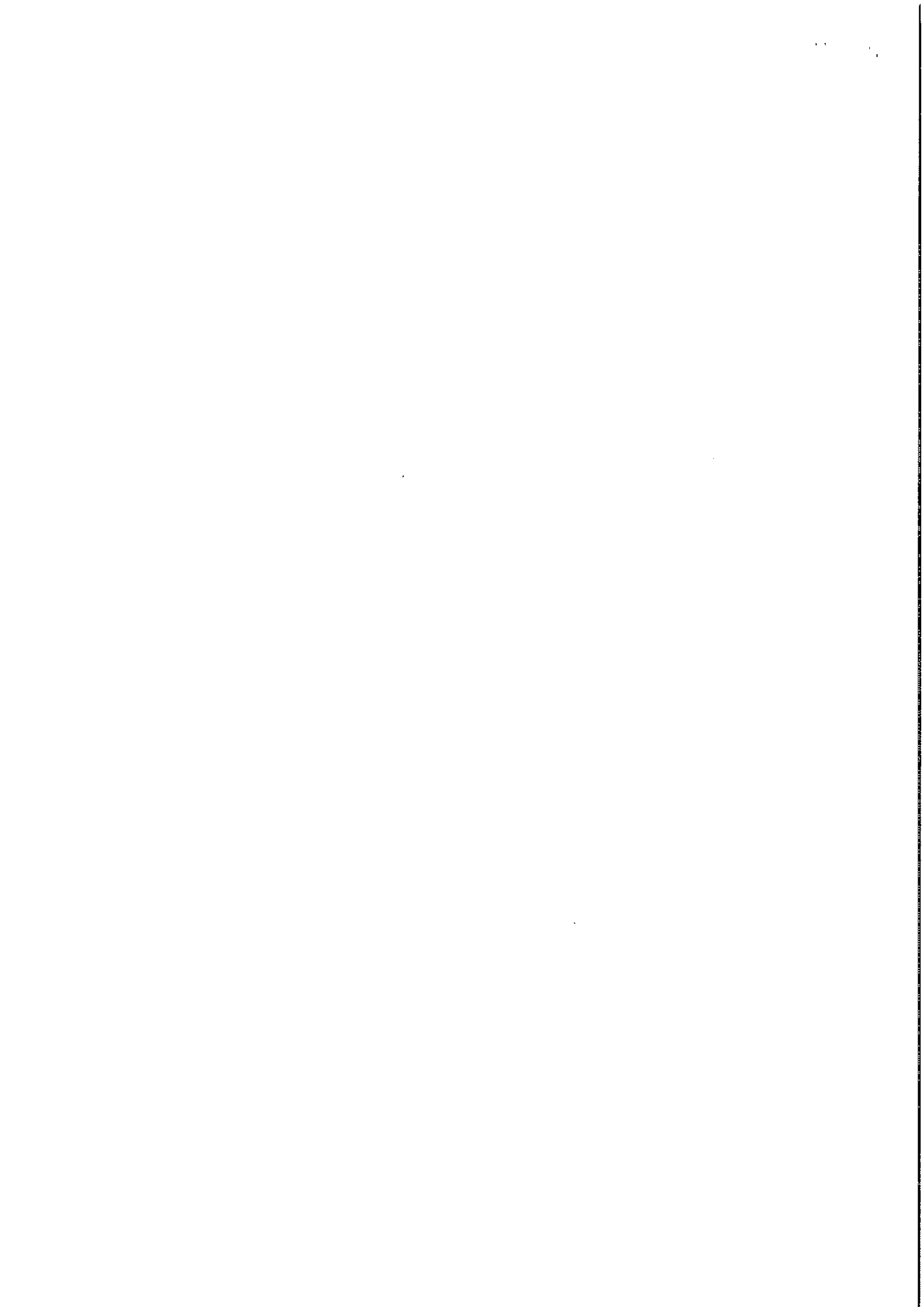
Plans for future periods

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
(A company limited by guarantee)

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.

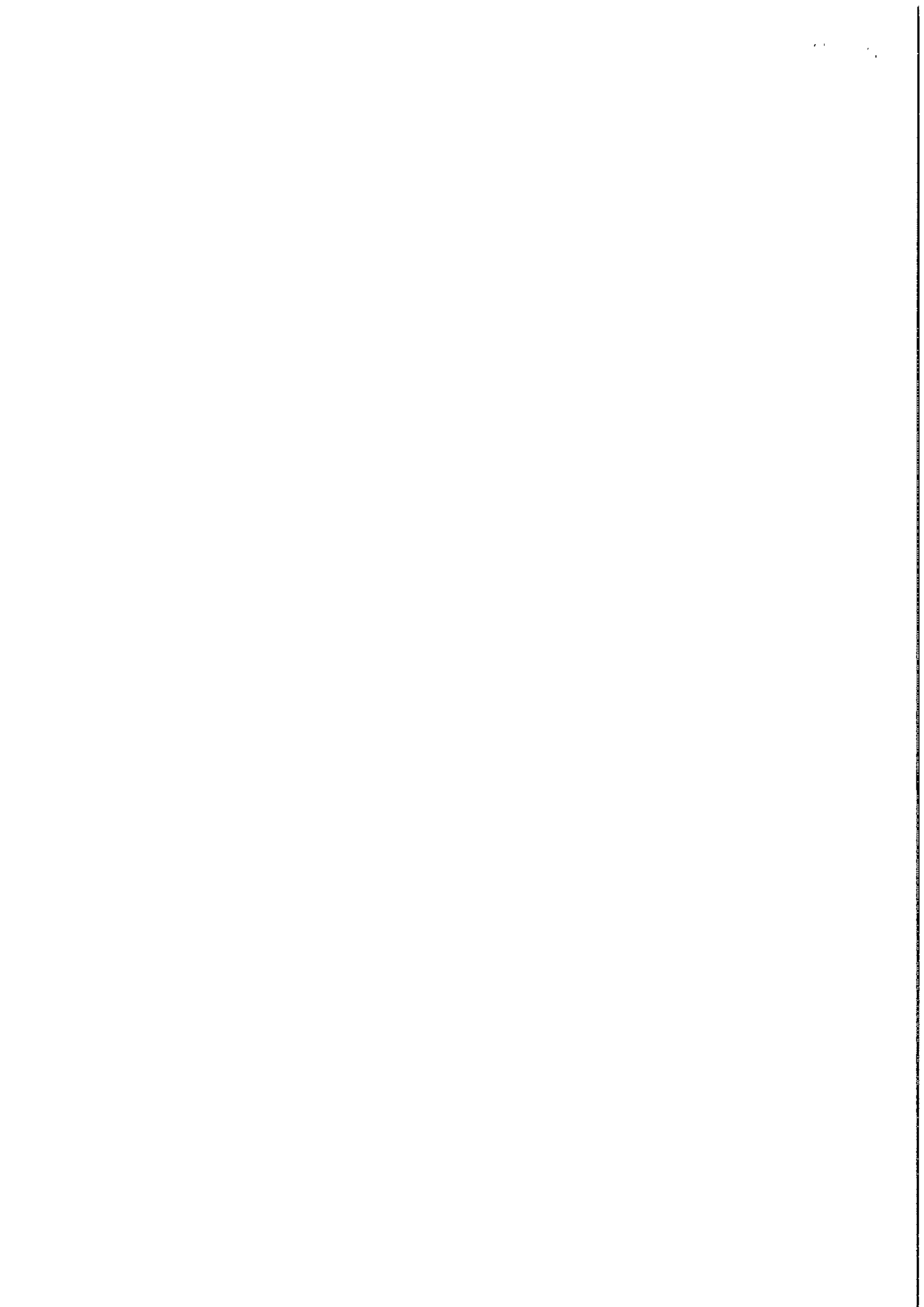
Conclusions relating to going concern

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



Innovation for Agriculture
(A company limited by guarantee)

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.



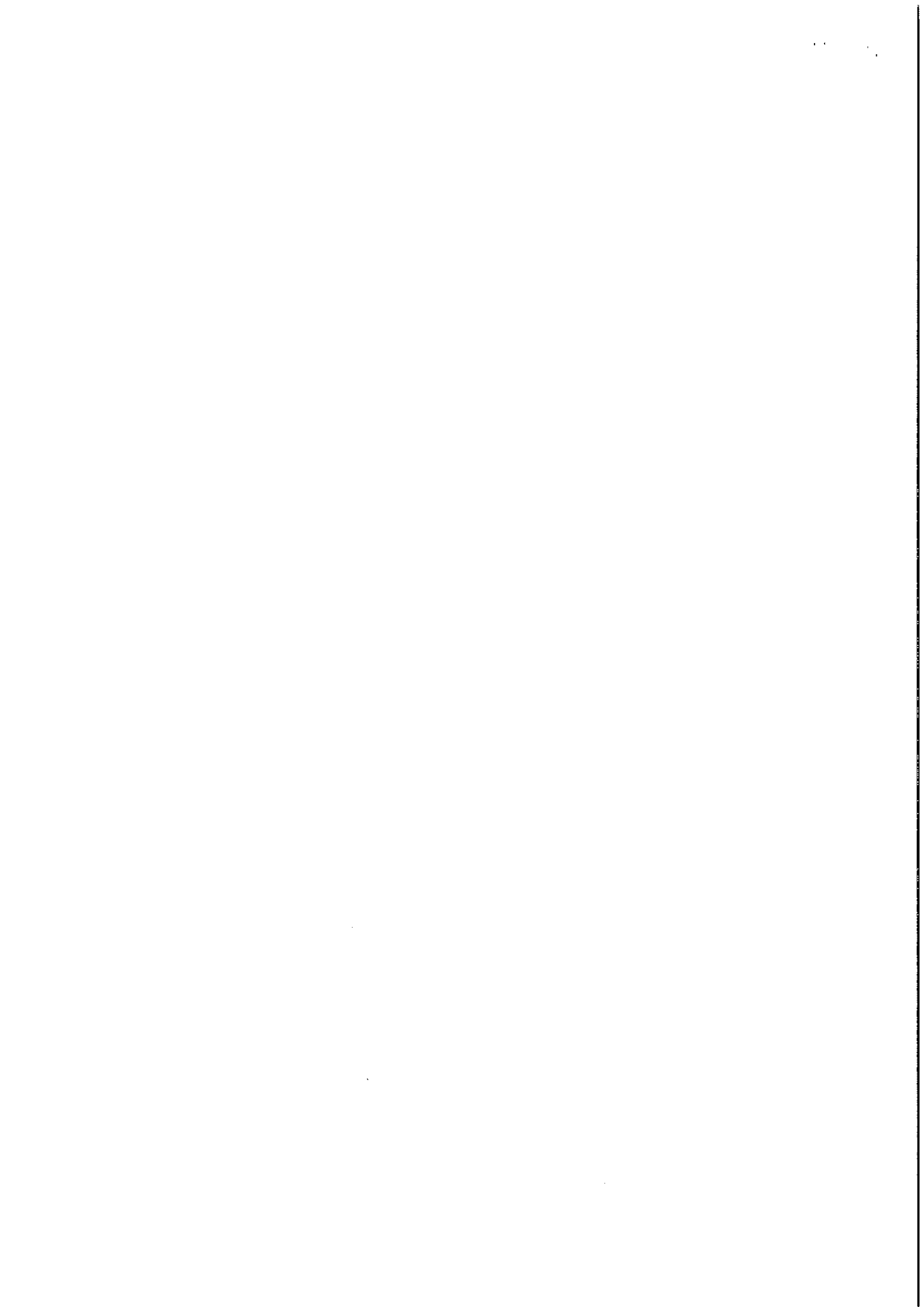
Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
11 June 2018



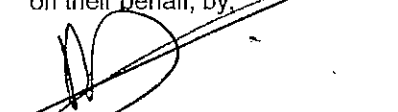
Innovation for Agriculture
 (A company limited by guarantee)
 Registered number: 08811248

Balance Sheet
 As at 31 December 2017

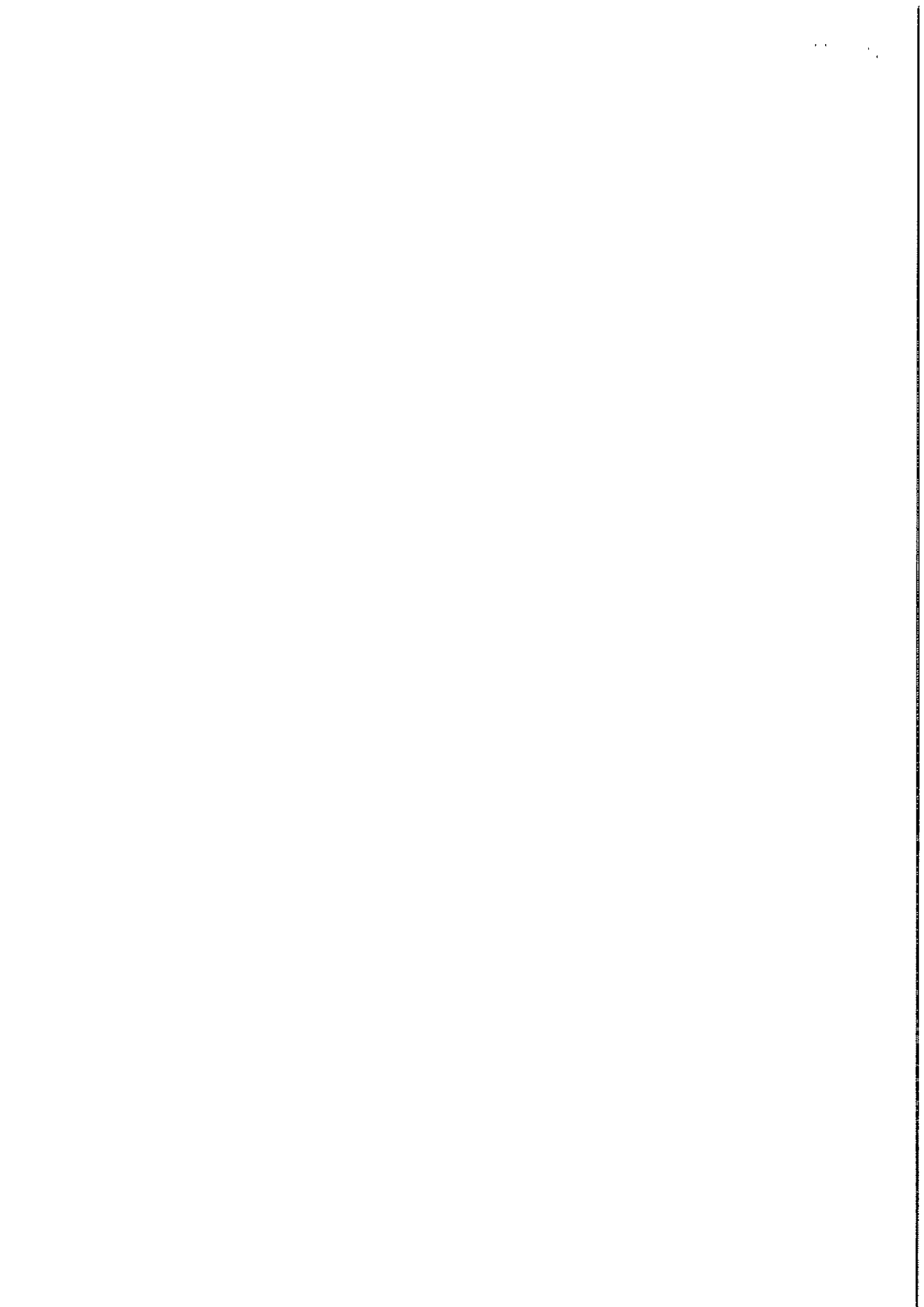
	Note	£	2017 £	£	2016 £
Current assets					
Debtors	12	42,283		34,622	
Cash at bank and in hand		163,717		670,208	
		<u>206,000</u>		<u>704,830</u>	
Creditors: amounts falling due within one year	13	<u>(126,032)</u>		<u>(646,149)</u>	
Net current assets			<u>79,968</u>		<u>58,681</u>
Net assets			<u>79,968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

Notes to the Financial Statements
For the Year Ended 31 December 2017

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.

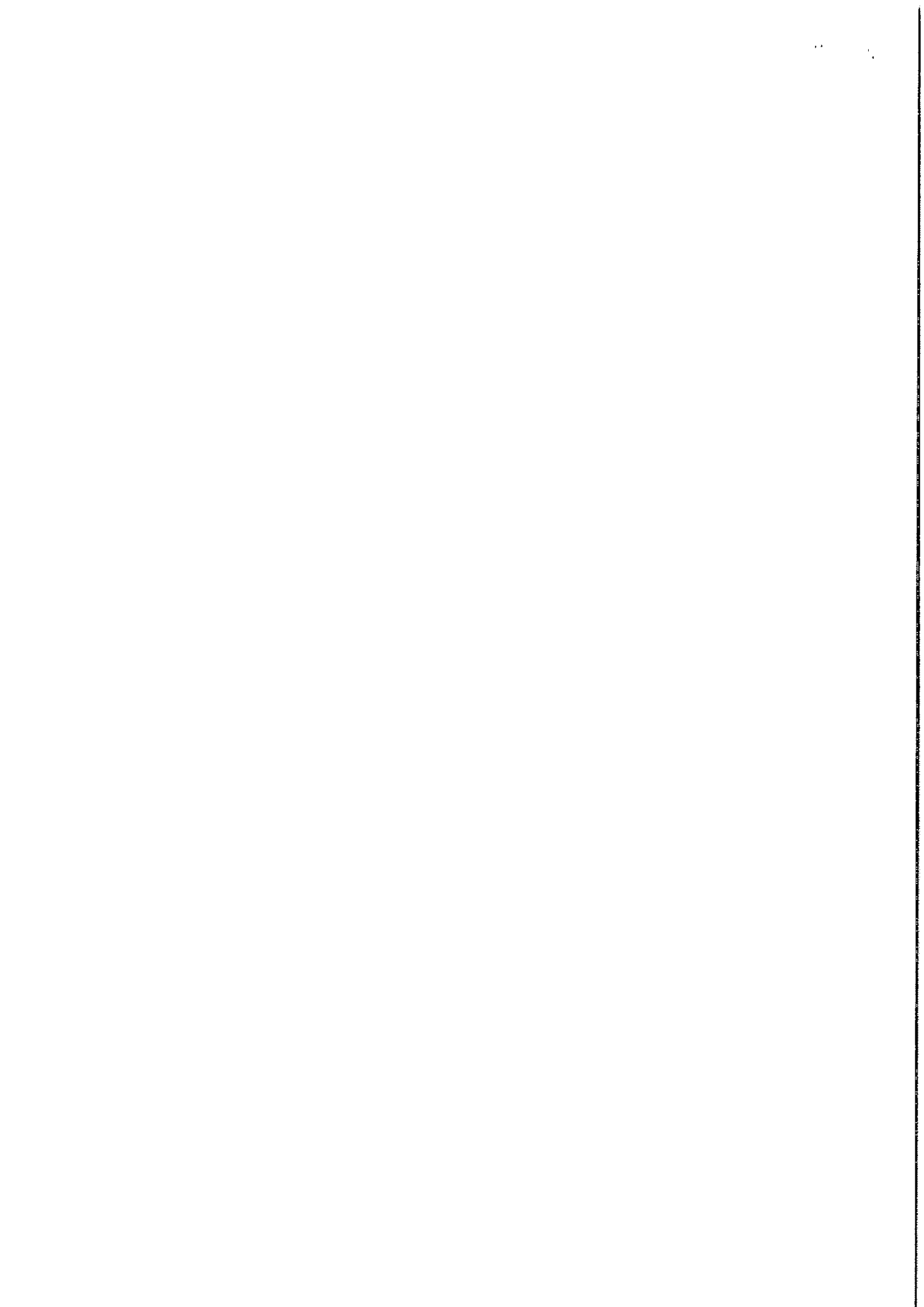
1.4 Company status

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.



Innovation for Agriculture
(A company limited by guarantee)

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

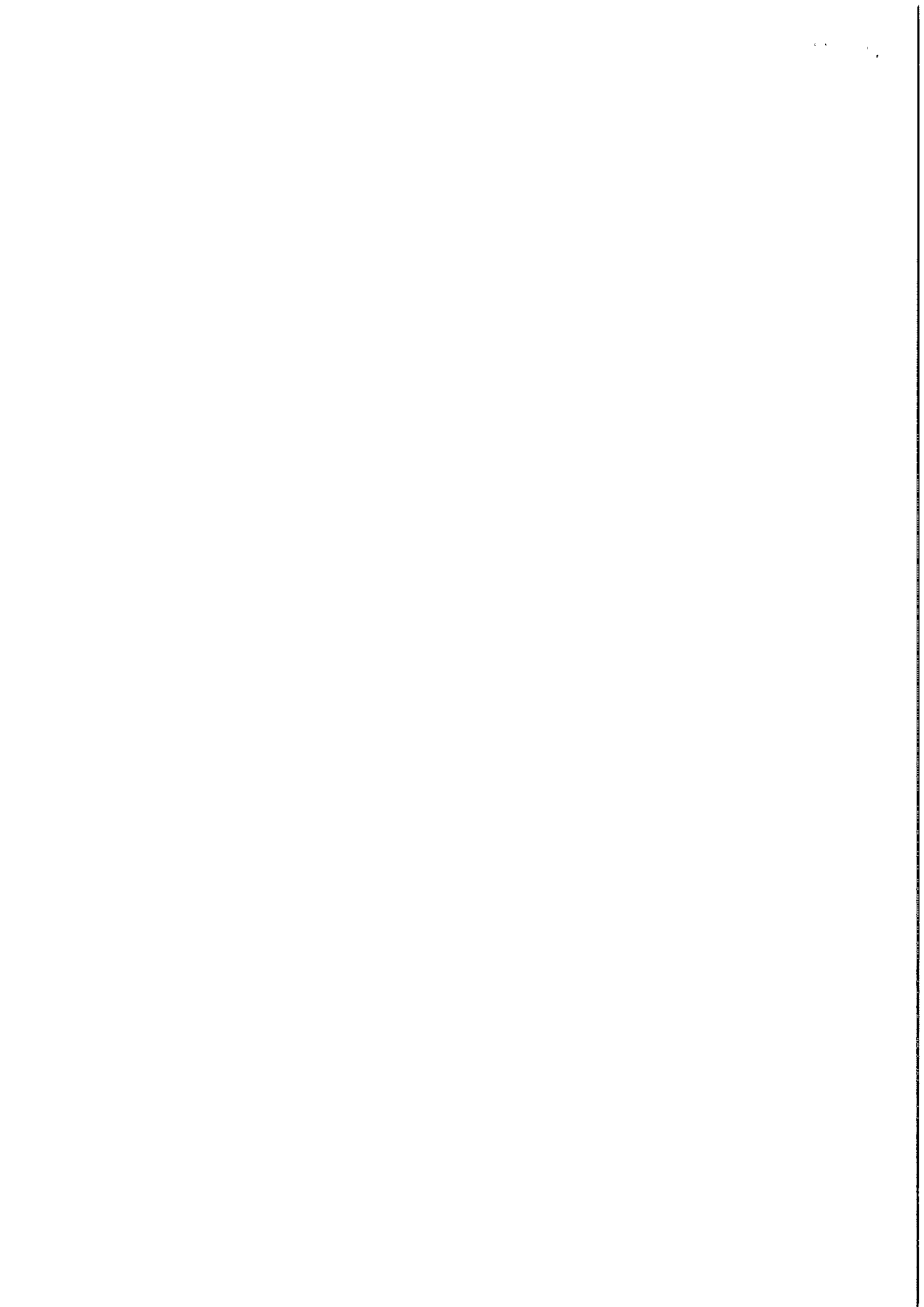
The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently 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	
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Innovation for Agriculture
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2017

6. Support costs

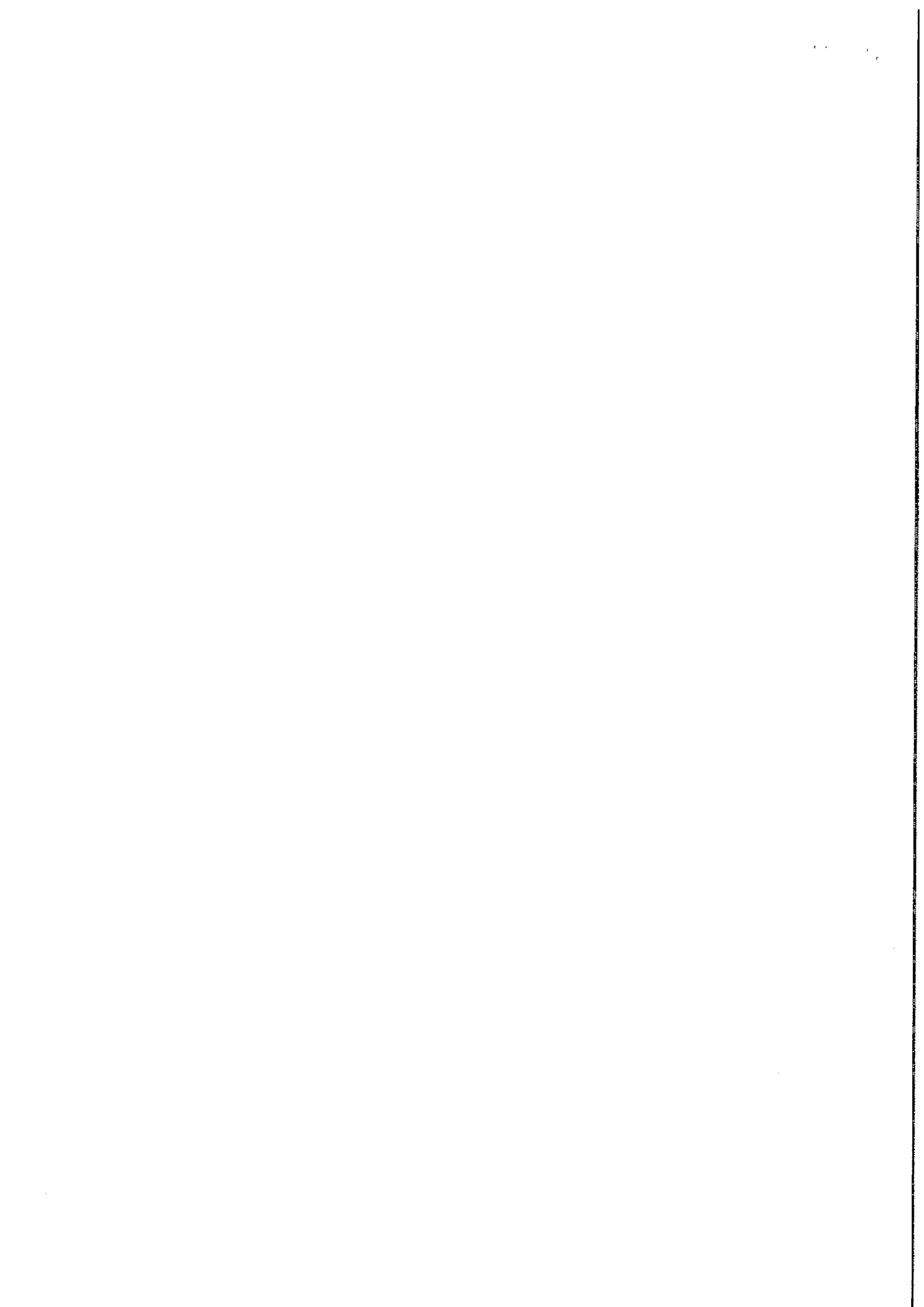
	Total 2017 £	Total 2016 £
Travel & subsistence	22,567	26,793
HR costs	5,922	6,708
Bank charges	945	263
Advertising and marketing	3,654	2,020
Telephone	1,710	1,693
Insurance	2,902	2,531
IT contracts	2,532	1,624
Printing, stationery and postage	1,416	1,975
Subscription	1,537	-
	<u>43,185</u>	<u>43,607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



Innovation for Agriculture
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2017

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	2016
	No.	No.
Staff	10	5

Average headcount expressed as a full time equivalent:

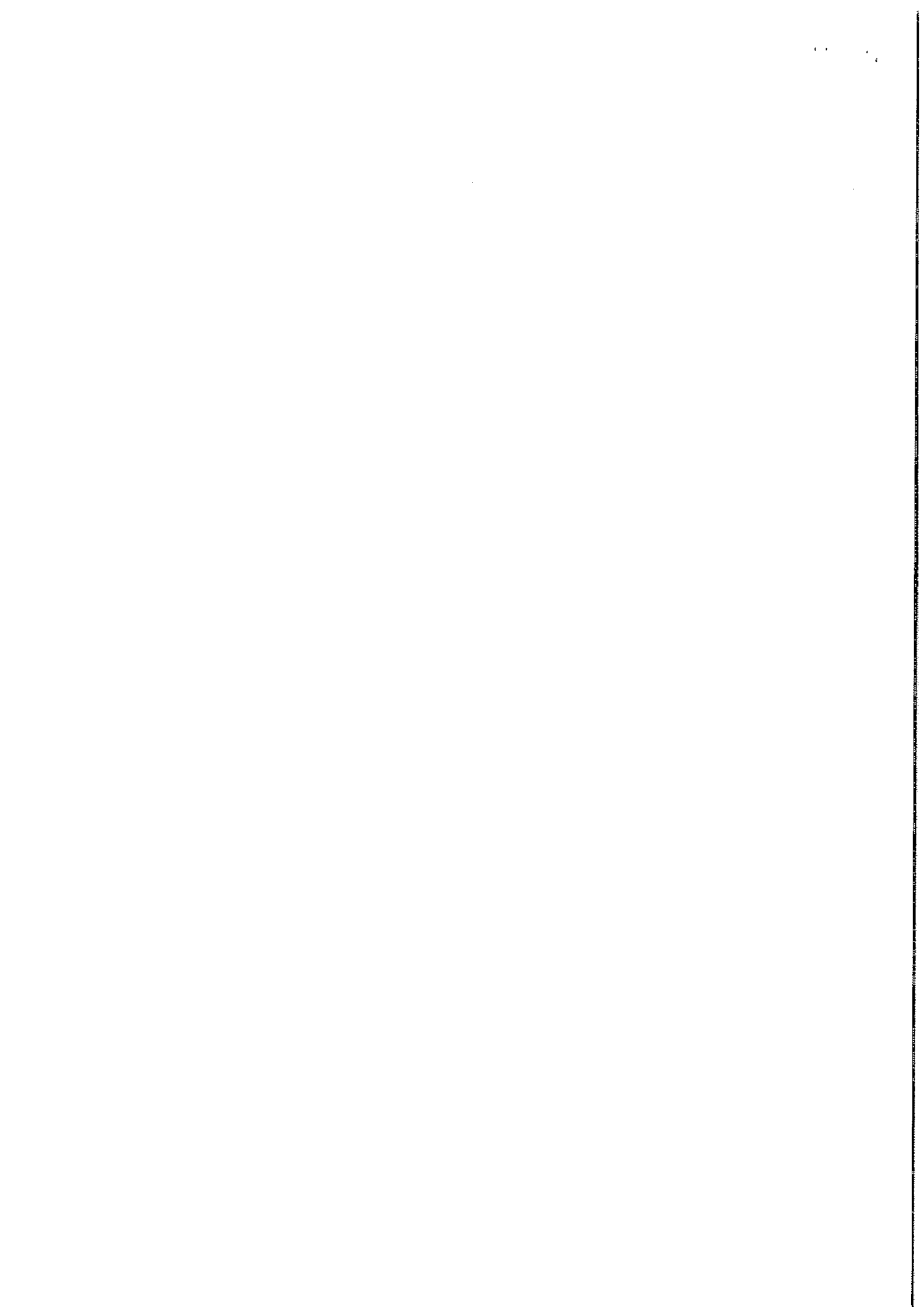
	2017	2016
	No.	No.
Staff	8.0	4.0

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>



Innovation for Agriculture
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2017

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

Innovation for Agriculture
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2017

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.

