

Registered number: 08811248
Charity number: 1155563

Innovation for Agriculture

Trustees' Report and Financial Statements

For the Year Ended 31 December 2018



**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 2018

Trustees	P J Westaway, Chairman R N F Drewett (The Royal Bath & West of England Society) D R Galbraith A W Ward C W Tufnell (Royal Agricultural Society of England)
Company registered number	08811248
Charity registered number	1155563
Registered office	Stoneleigh Park Kenilworth Warwickshire CV8 2LZ
Company secretary	J Moore (appointed 23 April 2018)
Chief executive officer	A Lazenby
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

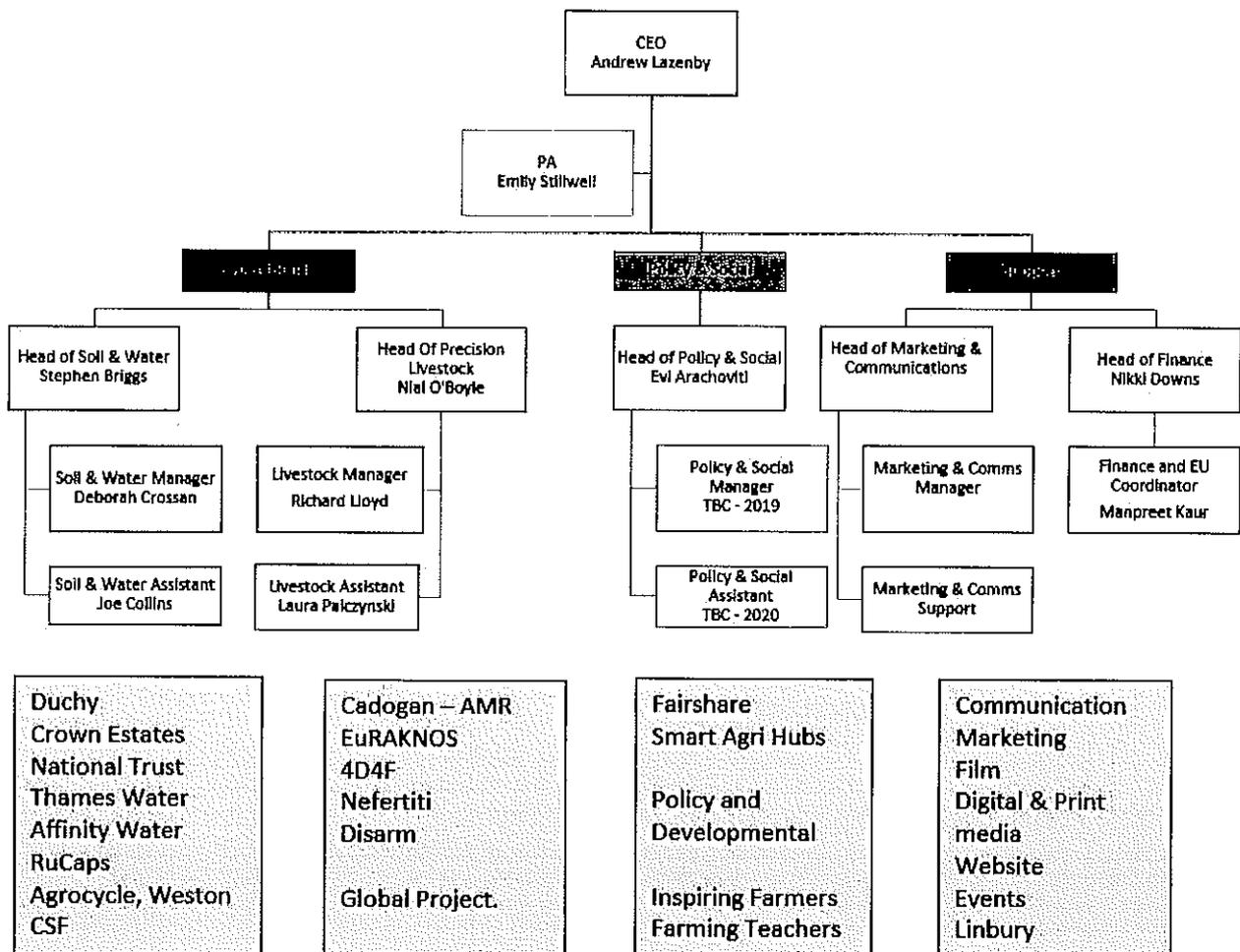
Innovation for Agriculture
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Chairman and Chief Executive's Statement
For the Year Ended 31 December 2018

The chairman and chief executive presents their statement for the period.

I am delighted to be able to present the update below, Just one year from taking over the reins at IFA and we have moved forwards beyond measure. We now have an appropriate organizational structure in place and continue to grow the organization free from Public money in the UK. We have decided that the uncertainty of Brexit is the only certainty in 2019 and so we have carried on regardless, The UK Government has guaranteed EU funding under any outcome until 2021 at least and almost all of our projects will now run to this date or beyond. We have grown our partnerships with all our private client organizations and whilst this continues to show promise it is likely that we will continue to require the ongoing support of the many trusts and charitable gifts which we have received in 2019 to date.

We have suffered some growing pains but will soon have new systems in Finance, marketing and communications to support the onward growth of the organization. We now have great teams in place and I look forward to working with everyone in the organization to 2020 and beyond. I hope you will enjoy reading some more about many of our workstreams below.



Additional Support funding from: The Ashden Trust; The Dulverton Trust; Esmee Fairburn Foundation

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Chairman and Chief Executive's Statement
For the Year Ended 31 December 2018

FAIRshare is a 7-million-euro project, co-funded by the European Commission under the Horizon 2020 initiative. FAIRshare, which is being led by Teagasc, the Irish Agriculture and Food Development Authority, brings together 22 partners from 15 countries across Europe.

This 5 years' project will engage, enable and empower the independent farm advisory community, through sharing of tools, expertise and experiences.

The overarching aim of FAIRshare is to ensure that farm advisors and their organizations effectively use digital tools and services for supporting a more productive and sustainable agriculture.

FAIRshare will fund 40 different advisory cases that will enable advisors to address the challenge of embedding digital tools in different advisory and farming contexts across the EU.

Special focus will be on co-designing powerful communication and engagement approaches for advisors to advocate and inspire their peers and farmer clients, driving a stronger network for the wider and better use of digital tools.

AgroCycle is an €8 million Horizon 2020 research and innovation project addressing the recycling and valorisation of waste from the agri-food sector with the aim to deliver the 'AgroCycle Protocol', a blueprint for achieving sustainable agri-food waste valorisation. Led by the School of Biosystems and Food Engineering at University College Dublin, the consortium of 26 partners comprises partners from 8 EU countries, two partners from mainland China, and one from Hong Kong.

The IFA soils team worked on the viability of haulage and logistical usage of many farm wastes and by-products across Europe. The team also was tasked with disseminating the results from the project which was achieved by discussing and promoting the research outcomes at the recent series of 30 soil science workshops the team have delivered for Natural England's Catchment Sensitive Farming networks across the UK.

The livestock team in IFA have been busy wrapping up an EU project "**4D4F**" based on data driven decision making in the dairy sector, involving cutting edge sensor technology. They also are participating in a large EU antibiotic reduction initiative, **DISARM**; as well as nationally supported campaigns in this important area. Additionally with support from **Cadogan** The livestock team will have stands at shows up and down the country this summer, we look forward to interacting with farmers and the general public to disseminate awareness and best practices to ensure a reduction in antibiotic resistance. Other projects and potential projects involve genomic technology in ruminants, livestock and arable collaboration, encouraging efficiency in the beef sector, and making a network to connect innovative farmers.

SmartAgriHubs is a €20 M EU project under the Horizon 2020 instrument, that brings together a consortium of well over 164 partners in the European agri-food sector.

This 4 years' project, being led by STICHTING WAGENINGEN RESEARCH (NL), aims to realise the digitisation of European farming and food sector. It will do so, by building an extensive pan-European network of Agriculture Digital Innovation Hubs (DIHs) that will boost the uptake of digital solutions by the farming sector.

The heart of the project is formed by 28 Flagship Innovation Experiments (FIEs) demonstrating digital innovations in 5 agri-food sectors: Arable farming, livestock, vegetable, fruits and aquaculture.

The FIEs are facilitated by DIHs from 9 Regional Clusters including all European member states. Associated with DIHs, are one or multiple Competence Centres (CCs), which provide advanced technical expertise and facilities (labs, infrastructures, pilot lines for production, etc.).

IFA is part of the Smart Agri Hubs project, co-leading the Regional Cluster of British Isles, with the Waterford Institute of Technology (IE) -TSSG leading the UK and IE ecosystem.

The Regional Cluster (RC) will act as a one-stop-shop for farmers, advisors, technology providers and agri-food companies who want to benefit from technology solutions from across Europe to farming as well as business

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Chairman and Chief Executive's Statement
For the Year Ended 31 December 2018

problems.

The RC's ecosystem currently includes two (FIEs) fully dedicated to sustainability. One focuses on animal welfare indicators alongside water and energy consumption while ensuring end-user engagement. The other one provides a sustainability tool for remote assessment and management of farmland.

The Soils and water team have had a busy start to 2019, the winter programme of IfA/CSF events, which run from December to March has now finished with over 30 events delivered across the majority of the country. We have spoken to the farmers in most regions and have over 400 responses to our soils survey and events feedback.

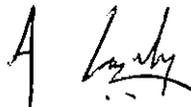
This quarter has also involved work with 2 of our EU Horizon 2020 projects. **Agrocycle** has been running for 3 years and concluded with a 3 day meeting in Ireland at the end of March. **Nefertiti** held a meeting in Tuscany during February, this project is working on building a Grassland and Carbon Sequestration Hub in the UK, which will link our best practice with that in the rest of Europe, offering a few UK farmers to get involved in cross visits with other farms in the UK and Europe.

As the Brexit issue currently fails to reach a resolution, IfA continue as valued members of the EU as we all look for solutions to sustainable food systems and try to build resilience for the future of agriculture and land use. The team continue to work with the water companies and have successfully delivered the first **Thames Water** contract for the reduction of Metaldehyde in drinking water. We have won another contract for next season. Following the Metaldehyde ban we are hopeful that we can provide other services to Thames following success with other water companies.

Our relationships with both the **GWCT** and the **National Trust** continue to flourish, we look forward to strengthening our partnerships with these organizations going forwards.



P Westaway
Chairman



Andrew Lazenby
Chief Executive

Date 30 July 2019

**Innovation for Agriculture
(A Company Limited by Guarantee)**

**Trustees' Report
For the Year Ended 31 December 2018**

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 January 2018 to 31 December 2018. 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 fifth full year of operation is becoming established both as an entity and within the market landscape. 2018 was another year of successful growth. During 2018 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 2018. 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 2019, 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 2018 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 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.

Achievements and performance

a. Review of activities

During 2018 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 2019 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 2018. 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 2019 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 five periods of operation.

At 31 December 2018 the total free reserves amounted to £99,950 (2017 - £79,968) which are expected to produce negligible income.

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**Trustees' Report (continued)
For the Year Ended 31 December 2018**

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 2018.

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 number during 2019.

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. 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

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**Trustees' Report (continued)
For the Year Ended 31 December 2018**

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.

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

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**Trustees' Report (continued)
For the Year Ended 31 December 2018**

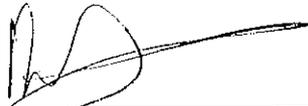
dissemination of financial statements may differ from legislation in other jurisdictions.

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 30 July 2019 and signed on their behalf by:



**P Westaway
Chairman**

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 2018 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 2018 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.

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 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.

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

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.

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.



Andrew Morris FCA (Senior Statutory Auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

19th September 2019

Innovation for Agriculture
(A Company Limited by Guarantee)

Statement of Financial Activities
Incorporating Income and Expenditure Account
For the Year Ended 31 December 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income and endowments from:					
Donations and grants	2	185,275	360,853	546,128	455,817
Charitable activities	3	105,651	-	105,651	60,618
Total income and endowments		290,926	360,853	651,779	516,435
Expenditure on:					
Raising funds	4	51,898	-	51,898	54,029
Charitable activities	5,6,7	208,599	360,853	569,452	441,119
Total expenditure	8	260,497	360,853	621,350	495,148
Net income before other recognised gains and losses		30,429	-	30,429	21,287
Net movement in funds		30,429	-	30,429	21,287
Reconciliation of funds:					
Total funds brought forward		79,968	-	79,968	58,681
Total funds carried forward		110,397	-	110,397	79,968

The notes on pages 16 to 28 form part of these financial statements.

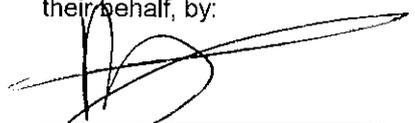
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(A Company Limited by Guarantee)
Registered number: 08811248

Balance Sheet
As at 31 December 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	12		10,447		-
Current assets					
Debtors	13	214,512		42,283	
Cash at bank and in hand		614,296		163,717	
		<u>828,808</u>		<u>206,000</u>	
Creditors: amounts falling due within one year	14	<u>(728,858)</u>		<u>(126,032)</u>	
Net current assets			<u>99,950</u>		<u>79,968</u>
Net assets			<u>110,397</u>		<u>79,968</u>
Charity Funds					
Unrestricted funds	15		<u>110,397</u>		<u>79,968</u>
Total funds			<u>110,397</u>		<u>79,968</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 30 July 2019 and signed on their behalf, by:



P Westaway
Chairman

The notes on pages 16 to 28 form part of these financial statements.

**Innovation for Agriculture
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**Statement of Cash Flows
For the Year Ended 31 December 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	17	<u>463,140</u>	<u>(506,491)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(12,561)</u>	<u>-</u>
Net cash used in investing activities		<u>(12,561)</u>	<u>-</u>
Change in cash and cash equivalents in the year		450,579	(506,491)
Cash and cash equivalents brought forward		<u>163,717</u>	<u>670,208</u>
Cash and cash equivalents carried forward	18	<u><u>614,296</u></u>	<u><u>163,717</u></u>

The notes on pages 16 to 28 form part of these financial statements.

Innovation for Agriculture
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Notes to the Financial Statements
For the Year Ended 31 December 2018

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. ut

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 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. Accounting Policies (continued)

1.6 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.

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	33% straight line
Computer equipment	-	33% straight line

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.

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.

1.14 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.

1.15 Critical accounting estimates and areas of judgment

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

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Notes to the Financial Statements
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2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	100,275	-	100,275	87,200
Grants	85,000	360,853	445,853	368,617
	<u>185,275</u>	<u>360,853</u>	<u>546,128</u>	<u>455,817</u>
Total donations and legacies				
	<u>87,200</u>	<u>368,617</u>	<u>455,817</u>	
Total 2017				

3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Event income	105,651	-	105,651	60,597
Other revenue	-	-	-	21
	<u>105,651</u>	<u>-</u>	<u>105,651</u>	<u>60,618</u>
Total 2017	<u>60,618</u>	<u>-</u>	<u>60,618</u>	

4. Expenditure on raising funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Professional fees	40,108	-	40,108	43,053
Advertising & marketing	990	-	990	176
Consultancy	10,800	-	10,800	10,800
	<u>51,898</u>	<u>-</u>	<u>51,898</u>	<u>54,029</u>
Total 2017	<u>54,029</u>	<u>-</u>	<u>54,029</u>	

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5. Direct costs

	Total 2018 £	Total 2017 £
Professional fees	20,972	42,945
Event costs	91,332	55,261
Contractors	-	3,575
Consultancy	18,591	9,213
Wages and salaries	321,190	257,459
National insurance	30,946	22,715
Pension cost	8,876	2,047
	<u>491,907</u>	<u>393,215</u>
Total 2017	<u>393,215</u>	

6. Support costs

	Total 2018 £	Total 2017 £
Travel & subsistence	39,715	22,567
HR costs	3,575	5,922
Bank charges	1,291	945
Advertising and marketing	8,304	3,654
Telephone	4,441	1,710
Insurance	4,420	2,902
IT contracts	5,332	2,532
Printing, stationery and postage	318	1,416
Subscription	2,040	1,537
Depreciation	2,114	-
	<u>71,550</u>	<u>43,185</u>
Total 2017	<u>43,185</u>	

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7. Governance costs

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Auditors' remuneration	3,750	-	3,750	3,625
Auditors' remuneration - non audit	500	-	500	750
Legal and professional	1,745	-	1,745	344
	<u>5,995</u>	<u>-</u>	<u>5,995</u>	<u>4,719</u>

8. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds	-	-	51,898	51,898	54,029
Charitable activities	361,012	2,114	200,331	563,457	436,400
Expenditure on governance	-	-	5,995	5,995	4,719
	<u>361,012</u>	<u>2,114</u>	<u>258,224</u>	<u>621,350</u>	<u>495,148</u>
Total 2017	<u>282,221</u>	<u>-</u>	<u>212,927</u>	<u>495,148</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Charitable activities	<u>491,907</u>	<u>71,550</u>	<u>563,457</u>	<u>436,400</u>
Total 2017	<u>393,215</u>	<u>43,185</u>	<u>436,400</u>	

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10. Net Income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	2,114	-
Auditor's remuneration - audit	4,250	4,375
	<u>4,250</u>	<u>4,375</u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

2 Trustees received reimbursement of expenses amounting to £625 in the current year (2017 - 4 Trustees - £1,717) for travel and subsistence.

During the year the Chairman of the Trustees provided his service to the Charity via a service contract to facilitate fund-raising efforts. During the year the Chairman was paid £10,800 (2017 - £10,800).

11. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	321,190	257,459
Social security costs	30,946	22,715
Other pension costs	8,876	2,047
	<u>361,012</u>	<u>282,221</u>

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

	2018 No.	2017 No.
Staff	11	10

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Staff	6.8	8.0

The number of higher paid employees was:

	2018 No.	2017 No.
In the band £70,001 - £80,000	1	0

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 2018 the total amounts paid to key management personnel was £85,651 (2017 - £64,424).

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12. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 January 2018	-	-	-
Additions	1,330	9,412	10,742
Transfers from RASE	-	1,819	1,819
At 31 December 2018	<u>1,330</u>	<u>11,231</u>	<u>12,561</u>
Depreciation			
At 1 January 2018	-	-	-
Charge for the year	369	1,745	2,114
At 31 December 2018	<u>369</u>	<u>1,745</u>	<u>2,114</u>
Net book value			
At 31 December 2018	<u>961</u>	<u>9,486</u>	<u>10,447</u>
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>

13. Debtors

	2018 £	2017 £
Trade debtors	3,344	912
Other debtors	427	-
Prepayments and accrued income	210,741	41,371
	<u>214,512</u>	<u>42,283</u>

14. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	8,727	3,840
Other taxation and social security	8,526	15,366
Deferred income	287,502	46,946
Amounts due to the RASE	4,369	3,212
Other creditors	385,548	49,822
Accruals	34,186	6,846
	<u>728,858</u>	<u>126,032</u>

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Deferred income

	2018 £	2017 £
Deferred income at 1 January	46,946	249,196
Resources deferred during the year	282,502	46,946
Amounts released from previous years	(41,946)	(249,196)
	<u>287,502</u>	<u>46,946</u>
Deferred income at 31 December	<u>287,502</u>	<u>46,946</u>

15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2018 £	Income £	Expenditure £	Balance at 31 December 2018 £
Unrestricted funds				
General Fund	79,968	205,926	(175,497)	110,397
Esmee Fairbairn	-	85,000	(85,000)	-
	<u>79,968</u>	<u>290,926</u>	<u>(260,497)</u>	<u>110,397</u>
Restricted funds				
H2020 - 4D4F	-	176,202	(176,202)	-
H2020 - Agrocycle	-	71,324	(71,324)	-
H2020 - IWMPRAISE	-	495	(495)	-
Linbury	-	11,832	(11,832)	-
Ernest Cook	-	12,000	(12,000)	-
Cadogan	-	89,000	(89,000)	-
	<u>-</u>	<u>360,853</u>	<u>(360,853)</u>	<u>-</u>
Total of funds	<u>79,968</u>	<u>651,779</u>	<u>(621,350)</u>	<u>110,397</u>

Notes to the Financial Statements
For the Year Ended 31 December 2018

15. Statement of funds (continued)

Statement of funds - prior year

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

H2020 – 4D4F

The Data Driven Dairy Decisions for Farmers (4D4F) thematic network focuses on the role which dairy animal and environmental sensors play in collecting real time information to make informed decisions in dairy farming. The network will develop a Community of Practice comprised of farmers, farm advisors, technology suppliers, knowledge exchange professionals and researchers who work together to debate, collect and communicate best practice drawn from innovative farmers, industry and the research community and facilitate the creation of best practice. The results will be communicated to farmers using best practice guides on the use of sensors and data analysis tools supported by videos, infographics and an online virtual warehouse of dairy sensor technologies.

H2020 – Agrocycle

AgroCycle focuses on converting low value agricultural waste into highly valuable products, achieving a 10% increase in waste recycling and valorisation by 2020. This will be achieved by developing a detailed and holistic understanding of the waste streams and piloting a key number of waste utilisation/valorisation pathways. The AgroCycle consortium is a large (25) multi-national group (including China) comprising the necessary and relevant multi-actors (i.e. researchers; companies in the technical, manufacturing, advisory, retail sectors (Large and SMEs); lead users; end users; and trade/producer associations) for achieving the project's ambitions goals.

H2020 – IWM PRAISE

IWM PRAISE aims to support the implementation of Integrated Weed Management (IWM). IWM PRAISE demonstrates that adoption of IWM supports more sustainable cropping systems both agronomically and environmentally, which are resilient to external impacts without jeopardising profitability or the steady supply of food, feed and biomaterials.

Esmee Fairbairn Foundation

To support core costs in maintaining and building IfA's reach and impact on the farming community through implementation of the business plan. Also to aid Farmers in reducing their use of antibiotics and use antibiotics more effectively, influenced by the development and delivery of a new work stream on antibiotic reduction within the Precision Livestock Farming programme.

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15. Statement of funds (continued)

Cadogan

IfA aims to attend nine agricultural shows and six specialist trade events each year with a trade stand full of the latest advice on antibiotic reduction and technology. The specialist events attract the progressive farmers, covering all the major livestock sectors and attracting in excess of 40,000 visitors each year, including farm consultants and advisers. The agricultural shows attract a broad farming and rural public - progressive farmers as well as the more 'difficult to reach' traditional farmers and smallholders. To support this IfA will develop 20 short YouTube videos per year. These cover antibiotic use in dairy, beef, pigs, sheep and poultry, capturing practical tips on how farmers can improve practice to reduce use.

Linbury

A three year grant towards the enhancement of IfA's communications capability. To address the antibiotics issue successfully and permanently, IfA needs to reach the entire livestock farming spectrum.

Summary of funds - current year

	Balance at 1 January 2018 £	Income £	Expenditure £	Balance at 31 December 2018 £
General funds	79,968	290,926	(260,497)	110,397
Restricted funds	-	360,853	(360,853)	-
	<u>79,968</u>	<u>651,779</u>	<u>(621,350)</u>	<u>110,397</u>

Summary of funds - prior 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>

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Notes to the Financial Statements
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16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	10,447	-	10,447
Current assets	828,807	-	828,807
Creditors due within one year	(728,857)	-	(728,857)
	<u>110,397</u>	<u>-</u>	<u>110,397</u>

Analysis of net assets between funds - prior 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>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	30,429	21,287
Adjustment for:		
Depreciation charges	2,114	-
Increase in debtors	(172,229)	(12,161)
Increase/(decrease) in creditors	602,826	(515,617)
Net cash provided by/(used in) operating activities	<u>463,140</u>	<u>(506,491)</u>

18. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	230,153	59,976
Cash held for grants	384,143	103,741
Total	<u>614,296</u>	<u>163,717</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 £8,876 (2017 - £2,047). Contributions totalling £1,392 (2017 - £943) 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 £672 (2017 - £672) 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 £39,795 (2017 - £36,674) from the Royal Agricultural Society of England, a related party due to it being a member of the Charity, for office running costs.

During the year the Charity recharged £14,103 (2017 - £Nil) to the Royal Agricultural Society of England for Secondment of staff at cost.

At the year end £4,319 (2017 - £3,212) was due to the Royal Agricultural Society of England.