

Annual Report

2019/2020



Working in support of
a modern, commercial,
sustainable agriculture.

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a modern, commercial,
sustainable agriculture.



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Chairman's welcome



Andrew McShane

Chairman, AIC

The past year has seen AIC continue to represent Members while the UK leaves the EU, as we turn towards new trading relationships both with the EU and the rest of the world.

THE PAST YEAR HAS SEEN AIC CONTINUE to represent Members while the UK leaves the EU, as we turn towards new trading relationships both with the EU and the rest of the world. The agreements reached and the wider legislative framework will impact Members for many years to come. In the last year, AIC has impressed the impact of leaving the EU with no deal to Government and continued to support Members in preparing for that possibility. As forecast before the referendum, the decision to leave the EU continues to shape much of our work. AIC has continued to monitor the progress of related legislation – including the Agriculture Bill and Environment Bill – over the year.

Our other large priority is sustainability. The AIC Board agreed in spring that it wanted to take ownership of its future by moving from a broadly reactive role to one of leadership, in which we actively provide Government with solutions. To achieve this, AIC sectors have started to look at their contributions to an overall AIC Sustainability Roadmap. This roadmap will contribute to UK and UN goals, including our commitment to a resilient food chain and net zero carbon.

At time of writing we are in the midst of the Coronavirus pandemic. This is a tumultuous time for everyone, and my thoughts are with all those who have been affected. AIC has continued to support its Members during this challenging period, and has done an excellent job making partner businesses remain operational and effective. It is my hope that we will emerge from the other side of Covid-19 with closer ties within the industry and more robust business practices.

In the long-term, everyone in this country will still need to eat three times a day. That supply of food is dependent upon Members ensuring that trading commodities and supplying of inputs onto farm remains efficient. While we can only focus on the day to day – or season to season – governments are setting long-distance markers for industry, innovation, environment and net-zero economies, something we must plan for now. I am delighted that the sector executives and staff teams at AIC are tackling these issues head-on for the future success of all Member businesses.

Andrew McShane



Chief Executive's introduction



Robert Sheasby
Chief Executive, AIC

We will make sure Government are aware of the opportunities – and complexities – of exiting the EU, as new legislation is drafted, and trade agreements negotiated.

AIC'S MAIN FOCUS OVER THE LAST YEAR has been on the UK exiting the EU. AIC Member committees and staff have made sure that our messages were heard by Government as we continually approached multiple deadlines for leaving the EU with no agreement in place. We will continue to make sure Government are aware of the opportunities – and complexities – of exiting the EU, as new legislation is drafted, and trade agreements negotiated.

2019 will be remembered for its political uncertainty. In the span of a year, we've seen three Secretaries of State at Defra (Gove, Villiers, and Eustice), a prorogued parliament, a General Election, a new Prime Minister, and the continuation of the EU exit negotiations. During this uncertainty, AIC made sure Members' voices were heard. This included continuing to develop our representation in Westminster and Holyrood, while encouraging Members to grow their relationships with their elected representatives.

In autumn, the new Agriculture Bill began its passage towards law. In Scotland and Wales, legislation is also being prepared. AIC will continue to monitor their progress and seek opportunities to influence these for the benefit of AIC Members. More broadly, AIC is developing a Sustainability Roadmap – created with sector input – to ensure that the agri-supply industry continues to innovate, providing SMART solutions to complex problems.

AIC developed a manifesto ahead of the General Election; this became a platform from which key messages were developed not just during the election but for the coming parliamentary session. We have made a plea for continued investment in knowledge, science and innovation, carefully devised support mechanisms for agriculture, promotion of trade and regulatory relationships, investment in industry-wide performance indicators, and considered development of a national food strategy. From these key themes, AIC will develop policies and responses that lay the foundations for a sustainable and resilient agri-supply industry in the UK.

Robert Sheasby



Policy

Environment

THE DEVELOPMENT OF THE ENVIRONMENT BILL FEATURED PROMINENTLY THIS YEAR, with both industry and NGOs united in a view that the Bill should drive domestic sustainability without exporting obligations, especially when it comes to food production and the environment. The debate on what environmental targets should be bound within the Bill – and what should be left to secondary legislation to deliver – was less clear cut. It is plain to see that the Bill will put governance structures for environmental compliance in place, replacing the European Commission’s jurisdiction with a new UK Office of Environmental Protection. Something new to the UK, brought in by the Bill, will be the principle of 10% Biodiversity Net Gain, which will be applied through future amendments to planning laws. With this in mind, there will be opportunities for brokering links with farmers on how to compensate for biodiversity loss when losing land to development. Extensions to Member premises will also have to comply with new planning laws when they are introduced.



Jane Salter,
Head of Environmental Policy
jane.salter@agindustries.org.uk

With the requirements of future farming and productivity hinging on the new Agricultural Bill and linking to the longer-term 25 Year Environment Plan – which will be delivered through the Environment Bill – discussions began on the development of the scheme to replace CAP. Defra and devolved administrations began extensive work on new policy to support farmers to meet the joint goals for productivity and the environment. It became clear that payment for public goods through farm and integrated land management planning would shape future payment options for farmers and growers. Having input into the design of a new Environmental Land Management (ELM) system has been a key priority for AIC, both in terms of supporting Defra to understand the role of advisers to the future scheme, and to actually test the concept through an ELM project board.

A new and welcome announcement was the independent review of a national food strategy by Henry Dimbleby, with the purpose of preparing the food system and making it future-proof. Michael Gove, MP and then Secretary of State at Defra, said: “*For too long we have tinkered with food and food education.*” AIC are keen to see this progress and, in support of the essential role that Members provide in getting food to the plate, we provided evidence to explain our part and place in a future strategy.

Our efforts were also spent in understanding more about how the proposed plastics tax would affect Members, including how packaging might be safely re-designed to include 30% recycled plastic content.

*For too long we have
tinkered with food and
food education.*

Rt Hon Michael Gove,
MP and former Secretary of
State for Environment, Food
and Rural Affairs.



External affairs

2019 FELT LIKE THE “HOKEY COKEY”, with legislation introduced, withdrawn, reintroduced, parliament sitting, before being prorogued, then a General Election, a report commissioned into a national food strategy and a continuous lack of certainty over whether the UK was going to depart the EU without a trade deal on three occasions. Working closely with Members, we have produced a vision for future Scottish policy, which we launched in Edinburgh in December 2019. We will continue to monitor progress on relevant legislation in Wales.

The Agriculture Bill and Environment Bill have been reintroduced to Parliament and are now nearing the end of their passage. However, questions regarding their implementation – and the future direction of the industry, still require some clarification. AIC has continued to act as a trusted voice to Government because of its unique and trusted relationship with Members.

Alongside our members AIC is developing a Roadmap for the agri-supply industry which encompasses many of the big challenges facing society. It considers how we achieve a sustainable food chain alongside Net Zero Carbon whilst identifying the opportunities, setting challenging targets and identifying where we need help to overcome barriers to progress.

We must collectively plan to achieve the business, environmental and social changes necessary to withstand shocks, such as the one we have just experienced.

We are working alongside government, farmers, processors and retailers to help build a sustainable food chain and we look forward to working with our members as this crucial initiative gains momentum.

Robert Sheasby , Chief Executive, AIC



John Kelley, Chief Operating Officer, AIC
Managing Director, AIC Services
john.kelley@agindustries.org.uk



AIC Services

THE FEED ASSURANCE SCHEMES REACHED AN IMPORTANT MILESTONE this year, with the launch of a comprehensive short notice audit programme. This initiative had been in industry consultation for the last eighteen months to ensure a smooth launch. The initiative was in response to food safety issues within the meat sector. Stakeholder recommendations indicated that a short notice/unannounced audit regime would strengthen the assurance programme.

Launched in Q1, these short notice audits will continue to strengthen the feed schemes going forward via continued reporting to the Food Standard Agency, Food Standards Scotland and other key stakeholders in order to maintain our “Earned Recognition” status. Our close working relationship pays dividends in many areas and looks set to continue.

As the UK left the European Union on the 31 December 2019 our discussion with our key assurance scheme partners has continued. Our “Mutual Recognition” status remains in place which has key benefits in aligning assurance standards between schemes in the export and import of feed and feed materials.

AIC Services also launched the “Palm Oil Credit Scheme” for the feed sector. This allows feed companies to purchase palm oil credits from the Round Table for Responsible Palm Oil (RSPO) via AIC. This not only saves money for the purchaser but allows the purchaser to demonstrate the steps taken to ensure procurement of sustainable palm oil. This is one of a number of sustainable initiatives that AIC and AIC Services will be working on over the coming years.

The Feed Adviser Register continues to develop at a pace, with the launch of the first module in the area of continual professional development. The module based on “maximum permitted levels” in feed is seen as a key development area. The next module will be based upon “antimicrobial resistance”, a very topical area for all feed advisers and the industry.

The UK’s Renewable Energy Directive scheme has also been renewed, which again allows the UK sector to operate as an assured participant in this area.



Within the Fertiliser Industry Assurance Scheme (FIAS), work has begun on reviewing the standard for re-launch in 2021. A new online learning module for the storage of fertilisers also launched to help the sector manage this important area of the supply chain.

Within the Trade Assurance Scheme for Combinable Crops (TASCC), NEW Driver CPC Training has been launched by KIWA Training. This was in response to industry requests for this training and a number of courses have already taken place in this area. KIWA Training have also launched training with the Feed Material Assurance Scheme (FEMAS) and courses have been well attended.

Agribusiness 2020, the AIC agri-supply industry conference, was a great success and had many industry, scientific and trade body speakers. A diverse range of subjects was covered to meet the needs of our Member companies.

Finally, the Forage Analysis Assurance Group goes from strength to strength. New systems, and more structure is now in place with the proficiency testing scheme for laboratories in this group.



AIC Scotland



Stephen Kenyon,
Chairman, AIC Scotland



THROUGHOUT 2019, AIC SCOTLAND HAS CONTINUED TO GROW ITS PROFILE, helping to influence fellow rural stakeholders and the Scottish Government. With our higher profile, we have been able to achieve a number of positive outcomes, including:

- Future Agricultural Policy.** During 2019's Royal Highland Show, Fergus Ewing, Cabinet Secretary for the Rural Economy, launched the Farming and Food Production Future Policy Group (FFP-FPG). This was initiated to bring forward agricultural policy proposals following Britain's leaving the EU. The eventual shape of this policy will have a huge bearing on the future of Scotland's supply industry. AIC Scotland are members of the new group and are working hard to ensure that we continue to have a productive farming base in Scotland.
- Net Zero emissions.** In September 2019, the Scottish Parliament passed climate change legislation that set a net zero emissions target for 2045. Our involvement with the Agriculture and Climate Change strategic stakeholder group has allowed us to bring together representative organisations from across the rural economy to help civil servants work in partnership with industry to reduce emissions in a business-friendly manner.
- Policy Maker Engagement.** Politics is constantly changing, and it is therefore important to meet with new party spokespersons and highlight key policies and concerns to them. The most recent example of this has been the new Scottish Conservative team at Holyrood. We met with their new rural affairs spokesperson and environment spokesperson (Rachael Hamilton and Annie Wells). These meetings are invaluable in building links to those who influence policy and who to contact when industry issues need resolving at a high level.

Key Focus for 2020 and beyond

The focus in the spring and early summer has been, and will continue to be, on the COVID-19 crisis and reacting to fallout from both the virus and consequent lockdown.

We have successfully represented the agri-supply industry as an integral part of the wider food supply chain, meaning operations can continue throughout the lockdown. This is partly due to the good working relationships we have with government ministers and civil servants – the ability to share Member concerns directly with those making decisions in a situation like this has been invaluable. We have also been successful in ensuring that our Members can access testing for their workers. As we move through 2020, the focus will move onto how we ensure a smooth transition out of lockdown. We must secure measures to ensure a return to stability and liquidity in the key agricultural sectors that Members supply.

Alongside this are a whole host of other issues that will have a huge influence on the future of the industry. Some of these include:

- Post-EU withdrawal negotiations** – The need for a realistic timetable which allows a smooth transition and avoids any cliff-edge exit and negative trade consequences. This also applies to the time required to sign off on trade deals with third countries.
- Future policy** – We launched our future policy document in December 2019, which forms the basis of our thinking for helping to shape policy after withdrawing from the EU. Going forward, the current crisis means that the Scottish Government is likely to revisit the future policy work, which may well include a greater focus on the importance of improved food security. AIC Scotland will continue to work with Government to ensure a positive outcome for the agri-supply industry. The role our Members play in advising farmers will become increasingly important, and which we will continue to highlight to the Scottish Government.

Animal Feed

BRITAIN'S EXIT FROM THE EU HAS INEVITABLY BEEN A MAJOR CONCERN for the feed sector in the last year, which has been active in identifying the industry's priorities for both legislative opportunities post-withdrawal and the current trade negotiations between the UK, EU and other nations. These include:

- UK adoption of novel genomic techniques.
- UK code of practice on setting MRLs for pesticide residue in imported feed materials and processing factors.
- UK rules on establishing MRLs for fragments of rDNA in fermentation feed additives.
- A streamlined UK feed additive authorisation process.

Feed and food safety remain paramount, but AIC believes that the feed industry must be able to operate in a legislative and trade environment which embraces innovation and opportunity.

The sector has also focussed on developing a reputational risk document in order to proactively identify risks and mitigating actions for its Members. High profile risks for the sector include the media attention on livestock production and the challenges made over environmental impacts and animal welfare. AIC is developing a sustainability roadmap for Members in order to help them ensure the industry meets these challenges and Government commitments made for carbon neutrality by 2050. Continued engagement with the UK Roundtables on sustainable soya and palm oil sustainability are also at the top of the feed industry's agenda.

In order to ensure engagement and understand the perspective of newer individuals within our Member companies, the AIC Feed Executive Committee sought to invite nominations for a Future Forum group made up of younger industry professionals. The Executive were delighted to receive eight nominations and the group met for the first time in early January 2020 to agree terms of reference. They were particularly keen to see better communication of the industry's messaging on the positive aspects of the UK livestock sector.

Key focus for 2020 and beyond

The priorities for the feed sector in 2020 will, for the first time in many years, focus on the development of UK agricultural and environmental policy and legislation. Continued engagement with UK Government will be necessary to ensure the industry can benefit from the opportunities that trade negotiations might bring. AIC's Feed Sector is pleased to have had the FAR element of the AIC ELMS project proposal accepted as one of the pilot studies. Delivery of this will be a priority for 2020.

The sustainability agenda will continue to dominate engagement with other stakeholders. AIC will be collating soya reporting data, both in terms of the provenance of imported soya and seeking clearer information on the soya inclusion levels in livestock diets. AIC will be active in promoting the launch of the long-awaited GFLI life cycle analysis database and tool. AIC will look to provide some indicators to Members of the data's value and how to use it.

As regards to legislation, AIC will contribute to an important consultation to be launched on the implementation of the new Medicated Feed Regulations. Related to this, FAR will be launching their second CPD topic in 2020, which will focus on AMR. FAR will also be delivering the full set of training modules online during 2020, along with an online "Find a Feed Adviser" tool for farmers.

This year will bring the need to reflect upon the learnings of the COVID-19 pandemic in terms of future preparedness and beneficial ways of working.



Angela Booth,
Sector Chair Animal Feed



Arable Marketing

Leaving the EU

WITH THE WITHDRAWAL DATE REPEATEDLY DELAYED IN 2019, the grain merchandising industry has had to regularly adjust. AIC has consistently kept Members updated on what the evolving debate meant for them. If the Withdrawal Agreement had not gone through, we would have been looking at no-deal and tariffs from the end of January, resulting in many challenges. These, of course, remain a risk for 2021. Autumn 2019 saw the grain merchandising industry busy moving grain, following the largest harvest in four years. However, the poor planting conditions in autumn mean the volume of harvest 2020 will be a different story.

Contaminants

In late November 2019, the long discussed new limits on erucic acid in vegetable oil came into force. Significant issues were not observed at harvest. The likelihood of new mycotoxin limits remains, and AIC continued to collect industry data on mycotoxins DON, ZON and T2-HT2. It was made clear to the Commission the lack of availability or reliability of quick tests makes the proposed limits unworkable for industry. AIC sent the harvest data from 2019 to the Commission before the end of January 2020, so the EU has the latest evidence that limits would create issues for the grain chain.



Mark Worrell,
Sector Chair Crop Marketing

Digital Grain passport

Work began in earnest on this in 2019, though completion is not yet in sight. The efficiency savings it could offer remain key and there is wider support than when this project was effectively shelved in 2017. We hope 2020 will be the year it progresses and continue to work supporting this.

Key focus for 2020 and beyond

For 2020, the key focus will be on what will happen in 2021. Through 2020, the UK is in the transition period as per the Withdrawal Agreement, so there are going to be very few, if any, discernible differences in how we trade with the EU. Clarity on the UK tariff position would be exceedingly welcome, however it is unlikely to come as negotiations continue.

The UK has been clear it is looking for regulatory equivalence rather than alignment as part of the Free Trade Agreement, but we will not know whether that will be achieved for some time. Without this, the UK will be facing very high tariffs for export into our largest market. Even without tariffs, a level of trade friction appears inevitable, both with the EU, and goods between GB and NI. As such, business continues to operate without the whole picture. AIC continues to engage directly with government departments and through a number of Government managed groups to ensure Member concerns are heard as negotiations progress.



Fertiliser

Looking forward – 2020 and beyond

THE FERTILISER SECTOR IS FOCUSED on preparing for the challenges and opportunities presented by leaving the EU, the new Agriculture Bill and sustainability. Against this background, the Fertiliser Executive Committee has identified key priorities for the Sector, including:

Regulation

The current GB Fertiliser Regulations (1991) need updating and Defra are evaluating the new EU Fertiliser Products Regulation (FPR EC2019/1009) as a basis for developing a new regulatory framework. However, the FPR has fundamental flaws as a regulation for inorganic fertilisers. Central to this is potential divergence from RB209, which could impact our ability to deliver balanced soil and crop nutrition while protecting the environment. AIC Fertiliser Sector is proactively engaging with Defra and presenting options for a new regulation that is mutually beneficial to all parties.

AIC is carefully monitoring the proposed plastic tax and its implications on fertiliser packaging with a potential cost burden of 25 – 40p per bag. We are liaising with members, bag manufacturers and Defra to ensure we are fully prepared as an industry.

Having left the EU, AIC wants to avoid the imposition of tariffs whilst ensuring fertilisers can be traded fairly; in the context of net zero carbon policy development, this also means ensuring we avoid any detriment through carbon leakage. To this end, we are open to exploring Carbon Border Adjustment Mechanisms.



Peter Scott,
Sector Chair Fertilisers

Agriculture and the Environment

The introduction of the Agriculture Bill and the forthcoming Environment Bill, along with the 25-year Environment Plan and other initiatives such as the Clean Air Strategy, present challenges and opportunities for the Fertiliser Sector.

The Sector has been fully engaged in the development of the AIC Sustainability Roadmap, which signposts what our members can do individually and collectively to achieve our objective of being integral to a sustainable food chain.

Our members are demonstrably helping farmers improve Nitrogen Use Efficiency (NUE), a measurement which is central to achieving the twin pillars of sustainable food production and protecting our soil, air and water. NUE brings together the foundations of soil husbandry, advanced technologies and professional FACTS advice and delivers across economic, environmental and societal sustainability goals.

Communication

The Sector has created a new group to develop a communications strategy that gives collective voice to our role in a sustainable food chain. Data from a major piece of quantitative and qualitative research commissioned by the Sector showed a majority of the public understand the need for fertilisers in replenishing soils and producing food. Fertiliser provides the nutrition required to feed a growing population. We need to proactively improve how we communicate our vital role with a measured, balanced and forward-looking perspective.

Crop Protection

SECTOR WORK DURING 2019 FOCUSED on communicating to policy makers and Government the challenges and opportunities for sector Members' businesses post-EU exit, in particular as the deadlines for the EU exit waxed and waned throughout the year.

This work included liaising with various competent authorities to understand how UK legislation could be drafted in a UK regime. AIC has explained how regulation impacting all areas of plant protection products (PPP) availability and use could be better enacted for more sustainable crop production that meets market demands. This would enable AIC Members to help UK farmers and growers produce crops in a sustainable way, whilst meeting consumer requirements.

The strengths and weaknesses of the current EU PPP approval process and AIC's priorities for improving PPP regulation post-EU membership were also highlighted when the sector head met the Expert Committee on Pesticides in May.

Engagement with policy makers continued through the year with visits by two groups of CRD staff to a Member's distribution depot near Pocklington in June. A group of Defra staff also accepted an invitation to a Member's distribution premises near Nottingham in January.

On each occasion CRD and Defra staff were shown and heard about the training undertaken by AIC Members. This included not only BASIS qualified agronomists, but PPP delivery vehicle drivers and BASIS nominated storekeepers. The CRD and Defra teams were also able to see the stringent requirements that each delivery vehicle must meet to ensure that PPPs reach farms safely and securely.



Chris Clayton,
Sector Chair Crop Protection
& Agronomy

This training and investment all ensures that farmers and growers have access to the best advice and support services from AIC Members.

Continuing the communication theme, the sector launched a Water Quality area on the AIC website in the autumn. This is to enhance the information agronomists and advisers receive on the issues affecting water quality in the catchments where they provide advice. Ten water companies update the website regularly. This enables AIC advisers and agronomists to provide more specific information to their clients with the aim of reducing any impacts of PPP use in water catchments.

The sector looks forward to continued engagement with all stakeholders to help explain the key role that sector Members all play in helping farmers and growers produce healthy crops.

Key focus for 2020 and beyond

The focus on the use and impacts of (PPPs) will continue to attract media attention. It is clear that the direction of travel within the EU Commission is to reduce the use and risks of PPPs. Closer to home, UK Government has indicated a desire for PPPs to be used more judiciously as part of an Integrated Pest Management (IPM) strategy. The year ahead will be one of steering opinion, providing sector Members the opportunity and materials to do this, by demonstrating all the work that AIC Members do to ensure PPP use has minimal impacts on the environment.





Chris Guest,
Sector Chair Seed

Seed

Erucic acid

IN NOVEMBER 2019, the new lower limits for erucic acid in vegetable oil came into force. AIC had been preparing industry for this for some time, most noticeably via the voluntary Code of Practice formulated by the AIC Combinable Crops Committee. This raised awareness of the need for diligence in seed quality, contributing to lower erucic acid levels at harvest in 2019. The OSR crop has many challenges, but awareness of the need for diligence on this matter must continue.

Derogations

For a second year, Members requested that AIC apply to APHA and the Commission for derogations on germination for winter and spring beans. This was needed again due to dry summer conditions, both during growth and at harvest. We do not yet know to what extent the UK will be following EU requirements. With legislative divergence on the cards and climate discussions with Defra and APHA, we will continue to represent the future requirements and opportunities within the seed sector.

Key focus for 2020 and beyond

On 14th December 2019, the Plant Health Regulation came into force which the UK must implement. Regardless of the end result of the withdrawal process, Defra and APHA have made clear that an enhanced approach to plant health will remain. The Regulation introduces the new category of RNQPs (Regulated Non-Quarantine Pests), which are regulated due to their economically unacceptable impact, alongside feasible measures to prevent their presence on plants. Pests that previously created a marketing concern now fall under plant health requirements.

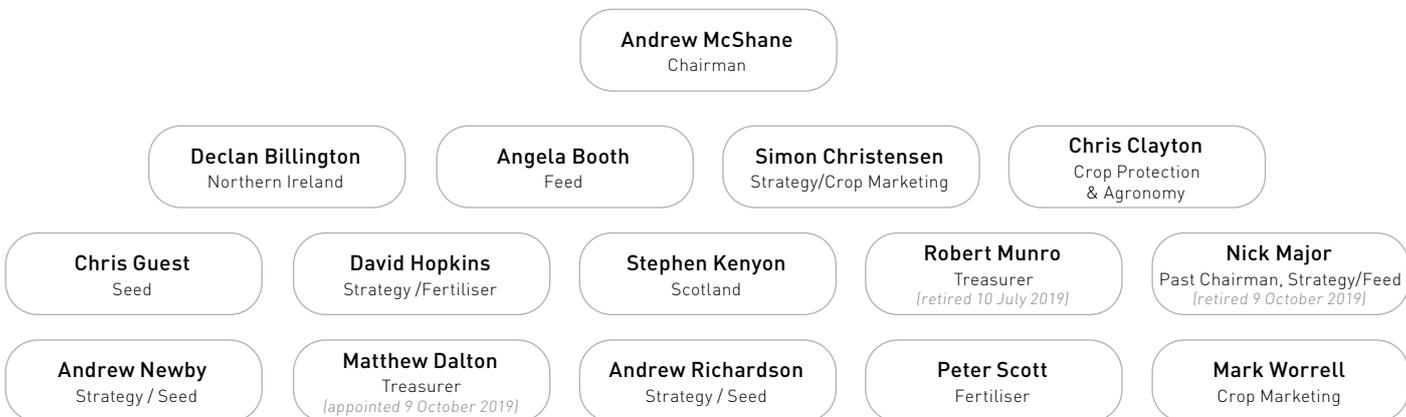
Whilst common in other sectors of the seed industry, plant passports will now be required on seed for a number of combinable crops from the 2020 harvest: *Brassica napus* (oilseed rape), *Glycine max* (soya bean), *Linum usitatissimum* (flax/linseed), and, for vegetable use, *Pisum sativum* (peas) and *Vicia faba* (broad bean). Seed packers and processors need to be authorised to produce these. Requirements dictate that the EU flag and the words 'plant passport' are visible at the top of the certification label. AIC has been in communication with Defra to gain more clarity for industry, and to press for clear liaison with the label manufacturers.

During 2020, the UK will be treated as an EU member, with the EU accepting UK-produced certified seed during this period. What happens after that will depend on negotiations. Without equivalence, UK seed cannot be marketed in the EU. OECD certification and the orange certificate will also be needed. AIC has successfully lobbied to have a significant number of samplers' ISTA training covered by Defra rather than industry. However, if this equivalence is not swiftly granted, the disruption to trade would be a real issue for many seed producers.

Organisational structure

AIC BOARD

01 February 2019 - 31 January 2020

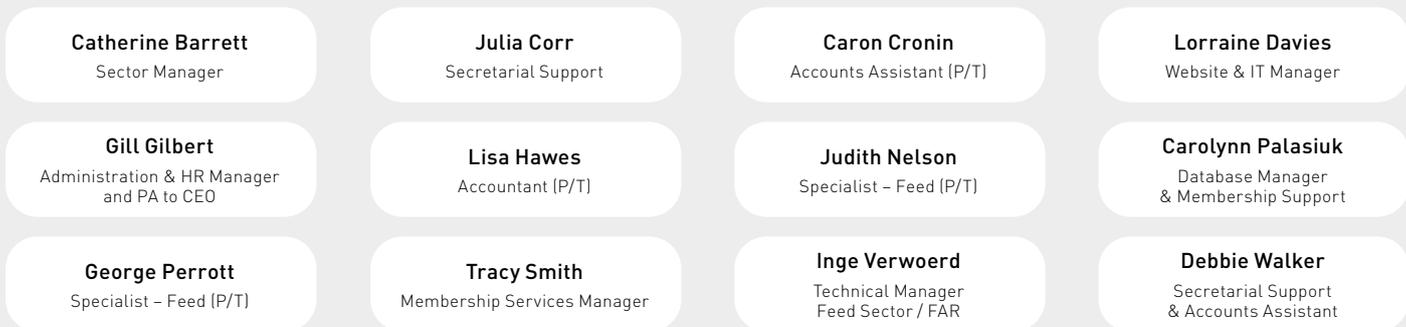


Robert Sheasby
Chief Executive

SECTORS



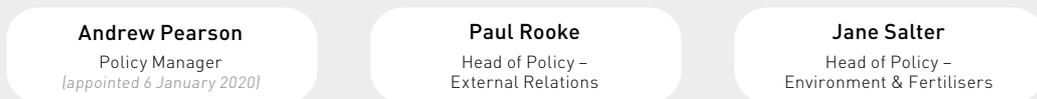
MEMBER SUPPORT



AIC SERVICES



POLICY UNIT



AIC SCOTLAND



Financial Statements



01 DIRECTORS' REPORT

For the year ended 31 January 2020

The directors present their annual report and financial statements for the year ended 31 January 2020 for the group, being Agricultural Industries Confederation Limited and its subsidiary, Agricultural Industries Confederation Services Limited.

PRINCIPAL ACTIVITIES

The organisation is the principal trade association representing members in the agricultural supply industry.

The principal activity of the subsidiary, Agricultural Industries Confederation Services Limited, is managing trade assurance schemes within the agricultural supply industry.

DIRECTORS

The directors who held office during the year and up to the date of signature of the financial statements are shown on page 16.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

AUDITOR

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

STATEMENT OF DISCLOSURE TO AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board

R Sheasby (Chief Executive)

Secretary

Date: 08/07/2020

02 DIRECTORS' RESPONSIBILITIES STATEMENT For the year ended 31 January 2020

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- **select suitable accounting policies and then apply them consistently;**
- **make judgements 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 group and company will continue in business.**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

03 INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRICULTURAL INDUSTRIES CONFEDERATION LIMITED For the year ended 31 January 2020

OPINION

We have audited the financial statements of Agricultural Industries Confederation Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 January 2020 which comprise the consolidated statement of income and members' funds, the consolidated statement of financial position, the company statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent company's affairs as at 31 January 2020 and of the group's profit 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Financial Statements

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or**
- **the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 other information comprises the information included in the directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- **the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and**
- **the directors' report has been prepared in accordance with applicable legal requirements.**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or**
- **the parent company financial statements are not in agreement with the accounting records and returns; or**
- **certain disclosures of directors' remuneration specified by law are not made; or**
- **we have not received all the information and explanations we require for our audit; or**
- **the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.**

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 19, the directors 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 directors 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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: <http://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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Sutherland (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Abbotsgate House

Hollow Road

Bury St Edmunds

Suffolk, IP32 7FA

| | | 2020 | 2020 | 2019 | 2019 |
|---|----------------|-------------|--------------|-------------|--------------|
| | Group Notes | Group £ | Company £ | Group £ | Company £ |
| Turnover | | 2,954,131 | 2,176,949 | 2,864,934 | 2,094,999 |
| Cost of sales | | (160,001) | (72,025) | (173,754) | (60,501) |
| Gross surplus | | 2,794,130 | 2,104,924 | 2,691,180 | 2,034,498 |
| Administrative expenses | | (2,657,264) | (2,078,431) | (2,511,914) | (2,007,905) |
| Operating surplus | | 136,866 | 26,493 | 179,266 | 26,593 |
| Income from other fixed asset investments | | 22,269 | 18,678 | 20,802 | 17,448 |
| Other interest receivable and similar income | | 17,311 | 9,254 | 8,841 | 5,297 |
| Other gains and losses | | 23,720 | 23,720 | (51,785) | (51,785) |
| Surplus before taxation | | 200,166 | 78,145 | 157,124 | (2,447) |
| Taxation | 3 | (29,708) | (7,146) | (33,053) | (3,243) |
| Surplus/(deficit) for the financial year | | 170,458 | 70,999 | 124,071 | (5,690) |
| Members' funds brought forward | | 1,796,364 | 1,266,898 | 1,672,293 | 1,272,588 |
| Members' funds carried forward | | 1,966,822 | 1,337,897 | 1,796,364 | 1,266,898 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 January 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 4 | | 97,550 | | 21,751 |
| Investments | 5 | | 668,446 | | 644,726 |
| | | | | | |
| | | | 765,996 | | 666,477 |
| Current assets | | | | | |
| Debtors | 7 | 273,088 | | 251,066 | |
| Investments | 8 | 900,000 | | 800,000 | |
| Cash at bank and in hand | | 863,869 | | 875,983 | |
| | | | | | |
| | | 2,036,957 | | 1,927,049 | |
| Creditors: amounts falling due within one year | 9 | (821,259) | | (794,077) | |
| | | | | | |
| Net current assets | | | 1,215,698 | | 1,132,972 |
| | | | | | |
| Total assets less current liabilities | | | 1,981,694 | | 1,799,449 |
| | | | | | |
| Provisions for liabilities | | | (14,872) | | (3,085) |
| | | | | | |
| Net assets | | | 1,966,822 | | 1,796,364 |
| | | | | | |
| Capital and reserves | | | | | |
| Members' funds | | | 1,966,822 | | 1,796,364 |

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 8 July 2020 and are signed on its behalf by:

A McShane (Chairman)
Director

M Dalton (Treasurer)
Director

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 4 | | 97,550 | | 21,751 |
| Investments | 5 | | 668,546 | | 644,826 |
| | | | | | |
| | | | 766,096 | | 666,577 |
| Current assets | | | | | |
| Debtors | 7 | 155,569 | | 118,101 | |
| Investments | 8 | 500,000 | | 400,000 | |
| Cash at bank and in hand | | 352,481 | | 480,520 | |
| | | | | | |
| | | 1,008,050 | | 998,621 | |
| Creditors: amounts falling due within one year | 9 | (421,377) | | (395,215) | |
| | | | | | |
| Net current assets | | | 586,673 | | 603,406 |
| | | | | | |
| Total assets less current liabilities | | | 1,352,769 | | 1,269,983 |
| | | | | | |
| Provisions for liabilities | | | (14,872) | | (3,085) |
| | | | | | |
| Net assets | | | 1,337,897 | | 1,266,898 |
| | | | | | |
| Capital and reserves | | | | | |
| Members' funds | | | 1,337,897 | | 1,266,898 |

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 8 July 2020 and are signed on its behalf by:

A McShane (Chairman)
Director

M Dalton (Treasurer)
Director



1 ACCOUNTING POLICIES

Company information

Agricultural Industries Confederation Limited ("the company") is a private company limited by guarantee and not having a share capital and is registered, domiciled and incorporated in England and Wales. The registered office is Confederation House, East of England Showground, Peterborough, Cambridgeshire, PE2 6XE.

The group consists of Agricultural Industries Confederation Limited and its subsidiary undertaking, Agricultural Industries Confederation Services Limited.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

Basis of consolidation

The consolidated financial statements incorporate those of Agricultural Industries Confederation Limited and its subsidiary (i.e. an entity that the company controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All intra-group transactions and balances are eliminated on consolidation.

Going concern

As at 31 January 2020 the going concern basis of accounting was considered to be appropriate for the company and group as no material uncertainties existed. The outbreak of COVID-19 in the early part of 2020 has caused severe disruption to the global economy, and will continue to do so. The group has prepared cash flow projections for the period to 31 January 2022 to consider the impact of the COVID-19 outbreak on the reported results and forecast position, and no issues were identified that would give rise to a going concern risk. The company and group has substantial cash, investments and reserves in place, this combined with the knowledge that membership levels have been maintained through our recent membership renewal process for the period 1st February to 31 January 2021 together with anticipated cost reductions in certain areas such as meetings and travel is the basis for the directors conclusion that the going concern basis of preparation remains appropriate despite the current global pandemic and that no material uncertainties exist.

Turnover

The turnover of the company is calculated by reference to the total income generated by all activities of the group and includes income derived from members' annual subscriptions and entrance fees. Subscription income is recognised on a straight line basis over the subscription period and income relating to future periods is disclosed as deferred income and included in other creditors.

The turnover of the group is calculated by reference to the total income generated by all the group's activities and includes income derived from trade assurance schemes and licence fees. Trade assurance scheme income is recognised on a straight line basis over the licence period and income relating to future periods is disclosed as deferred income and is included within other creditors. Where the group acts as principal, turnover includes the value of all income derived from trade assurance schemes and licence fees. Where the group acts as agent, turnover includes only the admin fees received on these services.

Financial Statements

Tangible fixed assets

Tangible fixed assets are stated at historical cost less depreciation.

Depreciation is provided at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life on the following bases:

| | |
|------------------------|---------|
| Leasehold improvements | 3 years |
| Computer equipment | 3 years |
| Fixtures and fittings | 3 years |

Residual value is calculated on prices prevailing at the reporting date after estimated costs of disposal for the asset as if it were at the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Investments

Investments comprise both fixed and current asset investments.

Fixed asset investments other than those in group undertakings are classified as financial investments. Financial investments comprise listed fixed asset investments which are stated at market value, using quoted bid price. Realised and unrealised gains and losses are shown separately in the statement of income and members' funds.

Investments in group undertakings are initially recorded at transaction price and reviewed for impairment annually.

Current asset investments represent amounts on deposit with banks with maturity dates of more than 3 months from the date of acquisition.

Financial instruments

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

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense.

Current tax

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

The costs of providing defined contribution pensions for employees are charged in the income and expenditure account as incurred.

Leases

Rentals payable under operating leases are charged to income and expenditure on a straight line basis over the lease term.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 EMPLOYEES

The average monthly number of persons (including directors) employed during the year was:

| | Group | | Company | |
|-------|----------------|----------------|----------------|----------------|
| | 2020 Number | 2019 Number | 2020 Number | 2019 Number |
| Total | 25 | 24 | 25 | 24 |

3 TAXATION

| | 2020 | 2019 |
|--|--------|---------|
| | £ | £ |
| Current tax | | |
| UK corporation tax on profits for the current period | 17,921 | 36,784 |
| Deferred tax | | |
| Origination and reversal of timing differences | 11,787 | (3,731) |
| Total tax charge | 29,708 | 33,053 |

4 TANGIBLE FIXED ASSETS

| Group and company | Leasehold improvements | Office equipment etc. | Total |
|------------------------------------|---------------------------|-----------------------------|----------|
| | £ | £ | £ |
| Cost | | | |
| At 1 February 2019 | 2,943 | 177,058 | 180,001 |
| Additions | 27,352 | 82,505 | 109,857 |
| Disposals | - | (27,110) | (27,110) |
| At 31 January 2020 | 30,295 | 232,453 | 262,748 |
| Depreciation and impairment | | | |
| At 1 February 2019 | 981 | 157,269 | 158,250 |
| Depreciation charged in the year | 9,382 | 24,635 | 34,017 |
| Eliminated in respect of disposals | - | (27,069) | (27,069) |
| At 31 January 2020 | 10,363 | 154,835 | 165,198 |
| Carrying amount | | | |
| At 31 January 2020 | 19,932 | 77,618 | 97,550 |
| At 31 January 2019 | 1,962 | 19,789 | 21,751 |

5 FIXED ASSET INVESTMENTS

| | Group | | Company | |
|-------------|---------|---------|---------|---------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Investments | 668,446 | 644,726 | 668,546 | 644,826 |

Movements in fixed asset investments

Group

| | Listed investments £ |
|--------------------------|-------------------------|
| Cost or valuation | |
| At 1 February 2019 | 644,726 |
| Valuation changes | 23,720 |
| At 31 January 2020 | 668,446 |
| Carrying amount | |
| At 31 January 2020 | 668,446 |
| At 31 January 2019 | 644,726 |

Movements in fixed asset investments

Company

| | Shares in group undertakings £ | Listed investments £ | Total £ |
|--------------------------|---|----------------------------|------------|
| Cost or valuation | | | |
| At 1 February 2019 | 100 | 644,726 | 644,826 |
| Valuation changes | - | 23,720 | 23,720 |
| At 31 January 2020 | 100 | 668,446 | 668,546 |
| Carrying amount | | | |
| At 31 January 2020 | 100 | 668,446 | 668,546 |
| At 31 January 2019 | 100 | 644,726 | 644,826 |

Financial Statements

6 SUBSIDIARIES

Details of the company's subsidiaries at 31 January 2020 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held | |
|--|--|---------------------------------------|----------------------|--------|----------|
| | | | | Direct | Indirect |
| Agricultural Industries Confederation Services Limited | Confederation House, East of England Showground, Peterborough, PE2 6XE | Management of trade assurance schemes | Ordinary | 100 | - |

7 DEBTORS

| | Group | | Company | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| Amounts falling due within one year: | £ | £ | £ | £ |
| Trade debtors | 84,061 | 108,381 | 17,930 | 36,226 |
| Other debtors | 189,027 | 142,685 | 137,639 | 81,875 |
| | <u>273,088</u> | <u>251,066</u> | <u>155,569</u> | <u>118,101</u> |

8 CURRENT ASSET INVESTMENTS

| | Group | | Company | |
|-------------|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Investments | <u>900,000</u> | <u>800,000</u> | <u>500,000</u> | <u>400,000</u> |

9 Creditors: amounts falling due within one year

| | Group | | Company | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Trade creditors | 259,333 | 204,410 | 240,327 | 180,260 |
| Amounts owed to group undertakings | - | - | 39,060 | 38,026 |
| Corporation tax payable | 17,921 | 36,784 | - | 6,974 |
| Other taxation and social security | 38,401 | 43,907 | 38,401 | 42,080 |
| Other creditors | 505,604 | 508,976 | 103,589 | 127,875 |
| | <u>821,259</u> | <u>794,077</u> | <u>421,377</u> | <u>395,215</u> |

10 FINANCIAL INSTRUMENTS

| | Group | | Company | |
|---|---------|---------|---------|---------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Carrying amount of financial assets | | | | |
| Instruments measured at fair value through profit or loss | 668,446 | 644,726 | 668,446 | 644,726 |

11 OPERATING LEASE COMMITMENTS

Lessee

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

| | Group | | Company | |
|----------------------------|-------|--------|---------|--------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Within one year | 7,640 | 42,682 | 7,640 | 42,682 |
| Between one and five years | 1,364 | 9,004 | 1,364 | 9,004 |
| | 9,004 | 51,686 | 9,004 | 51,686 |

12 EVENTS AFTER THE REPORTING DATE

As at 31 January 2020 the going concern basis of accounting was considered to be appropriate for the company and group as no material uncertainties existed. The outbreak of COVID-19 in the early part of 2020 has caused severe disruption to the global economy, and will continue to do so. The group has prepared cash flow projections for the period to 31 January 2022 to consider the impact of the COVID-19 outbreak on the reported results and forecast position, and no issues were identified that would give rise to a going concern risk. The company and group has substantial cash, investments and reserves in place, this combined with the knowledge that membership levels have been maintained through our recent membership renewal process for the period 1st February to 31 January 2021 together with anticipated cost reductions in certain areas such as meetings and travel is the basis for the directors conclusion that the going concern basis of preparation remains appropriate despite the current global pandemic and that no material uncertainties exist.

13 RELATED PARTY TRANSACTIONS

The group and company have received income from directors and shareholders in respect of membership fees and subscriptions. These transactions have been made at arm's length in line with the terms for membership fees and subscriptions to all members.



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Registered in England and Wales No.: 0316783

CONSULTANTS AND ADVISERS

Auditors

RSM UK Audit LLP

Principal Banker

HSBC Bank plc

General Insurance Brokers

Towergate Insurance

Solicitors

Greenwoods Solicitors LLP

agindustries.org.uk